

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

Or

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended March 31, 2026.

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

SHELL COMPANY PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

Date of event requiring this shell company report \_\_\_\_\_

Commission file number 000-27663

**Sify Technologies Limited**

*(Exact name of Registrant as specified in its charter)*

Not Applicable

*(Translation of Registrant's name into English)*

Chennai, Tamil Nadu, India

*(Jurisdiction of incorporation or organization)*

TIDEL Park, 2nd Floor

4, Canal Bank Road

Taramani, Chennai 600 113 India

(91) 44-2254-0770, Fax (91) 44 -2254 0771

*(Address of principal executive office)*

M.P.Vijay Kumar, Executive Director and Chief Financial Officer,

(91) 44-2254-0770; vijaykumar.mp@sifycorp.com

TIDEL Park, 2nd Floor, 4, Canal Bank Road, Taramani, Chennai 600113 India

*(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)*

**Securities registered or to be registered pursuant to Section 12(b) of the Act**

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each Exchange on which registered</u>
American Depositary Shares, each represented by Six Equity Shares, par value ₹ 10 per share	SIFY	NASDAQ Capital Market (NASDAQ-CM)

**Securities registered or to be registered pursuant to Section 12(g) of the Act**

Title of each class Not Applicable

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act**

Not Applicable

*(Title of class)*

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

434,607,689 Equity Shares.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Note - Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically, if any, every Interactive Data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer or an emerging growth company. See definition of "large accelerated filer," and "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer       **Accelerated filer**       Non-accelerated filer   
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

US GAAP       **International Financial Reporting Standards as  
issued by the International Accounting Standards  
Board**       Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:  Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

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## Table of Contents

<b>Item</b>		<b>Page</b>
	<a href="#">Currency of Presentation and Certain Defined Terms</a>	2
	<a href="#">Forward-Looking Statements</a>	3
<b><u>PART I</u></b>		5
<a href="#">Item 1.</a>	<a href="#">Identity of Directors, Senior Management and Advisers</a>	5
<a href="#">Item 2.</a>	<a href="#">Offer Statistics and Expected Timetable</a>	5
<a href="#">Item 3.</a>	<a href="#">Key Information</a>	5
<a href="#">Item 4.</a>	<a href="#">Information on the Company</a>	33
<a href="#">Item 4A.</a>	<a href="#">Unresolved Staff Comments</a>	47
<a href="#">Item 5.</a>	<a href="#">Operating and Financial Review and Prospects</a>	48
<a href="#">Item 6.</a>	<a href="#">Directors, Senior Management and Employees</a>	64
<a href="#">Item 7.</a>	<a href="#">Major Shareholders and Related Party Transactions</a>	72
<a href="#">Item 8.</a>	<a href="#">Financial Information</a>	76
<a href="#">Item 9.</a>	<a href="#">The Offer and Listing</a>	77
<a href="#">Item 10.</a>	<a href="#">Additional Information</a>	78
<a href="#">Item 11.</a>	<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	101
<a href="#">Item 12.</a>	<a href="#">Description of Securities Other Than Equity Securities</a>	101
<b><u>PART II</u></b>		103
<a href="#">Item 13.</a>	<a href="#">Defaults, Dividend Arrearages and Delinquencies</a>	103
<a href="#">Item 14.</a>	<a href="#">Material Modifications to the Rights of Security Holders and Use of Proceeds</a>	103
<a href="#">Item 15.</a>	<a href="#">Controls and Procedures</a>	103
<a href="#">Item 16A.</a>	<a href="#">Audit Committee Financial Expert</a>	106
<a href="#">Item 16B.</a>	<a href="#">Code of Ethics</a>	106
<a href="#">Item 16C.</a>	<a href="#">Principal Accountant Fees and Services</a>	106
<a href="#">Item 16D.</a>	<a href="#">Exemptions from the Listing Standards for Audit Committees</a>	107
<a href="#">Item 16E.</a>	<a href="#">Purchases of Equity Securities by the Issuer and Affiliated Purchasers</a>	107
<a href="#">Item 16F.</a>	<a href="#">Change in Registrant’s Certifying Accountant</a>	107
<a href="#">Item 16G.</a>	<a href="#">Corporate Governance</a>	107
<a href="#">Item 16H.</a>	<a href="#">Mine Safety Disclosure</a>	108
<a href="#">Item 16I.</a>	<a href="#">Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</a>	108
<a href="#">Item 16J.</a>	<a href="#">Insider Trading Policies</a>	108
<a href="#">Item 16K.</a>	<a href="#">Cyber-Security</a>	108
<b><u>PART III</u></b>		108
<a href="#">Item 17.</a>	<a href="#">Financial Statements</a>	108
<a href="#">Item 18.</a>	<a href="#">Financial Statements</a>	108
<a href="#">Item 19.</a>	<a href="#">Exhibits</a>	185

## Currency of Presentation and Certain Defined Terms

Unless the context otherwise requires, references in this annual report to “we,” “us,” the “Company,” “Sify” or “Satyam Infoway” are to Sify Technologies Limited, a limited company organized under the laws of the Republic of India. References to “U.S.” or the “United States” are to the United States of America, its territories and its possessions. References to “India” are to the Republic of India. References to the “Government” or “GOI” are to the government of the Republic of India. In January 2003, we changed the name of our Company from Satyam Infoway Limited to Sify Limited. In October 2007, we again changed our name from Sify Limited to Sify Technologies Limited. “Sify”, “SifyMax.in,” “Sify e-ports” and “Sify online” are trademarks used by us for which we have already obtained registration certificates in India. All other trademarks or trade names used in this Annual Report on Form 20-F for the year ended March 31, 2026 (the “Annual Report”) are the property of their respective owners. In this Annual Report, references to “\$,” “Dollars” or “U.S. dollars” are to the legal currency of the United States, and references to “₹”, “Rs.,” “rupees” or “Indian rupees” are to the legal currency of India. References to a particular “fiscal” year are to our fiscal year ended March 31 of such year. References to the “Group” mean Sify Technologies Limited and its subsidiaries. References to “equity shares” refer to our Indian Equity Shares, which are not traded on an exchange in India or the United States. References to “ADSs” refer to our American Depositary Shares, which are traded on the NASDAQ Capital Market under the symbol “SIFY.”

For your convenience, this Annual Report contains translations of some Indian rupee amounts into U.S. dollars which should not be construed as a representation that those Indian rupee or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Indian rupees, as the case may be, at any particular rate, the rate stated below, or at all. Except as otherwise stated in this Annual Report, all translations from Indian rupees to U.S. dollars contained in this Annual Report have been based on the reference rate in the City of Mumbai on March 31, 2026 for cable transfers in Indian rupees as published by the Reserve Bank of India (the “RBI”), which was ₹94.6543 per US\$1.00.

Our financial statements are presented in Indian rupees and prepared in accordance with English version of International Financial Reporting Standards as issued by the International Accounting Standards Board, (“IFRS”). In this Annual Report, any discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

Information contained in our websites, including our corporate website, [www.sifytechnologies.com](http://www.sifytechnologies.com), is not part of this Annual Report.

## Forward-Looking Statements

In addition to historical information, this Annual Report on Form 20-F contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements are not historical facts but instead represent our beliefs regarding future events, many of which are, by their nature, inherently uncertain and outside our control. As a result, the forward looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements, and reported results should not be viewed as an indication of future performance. For a discussion of some of the risks and important factors that could affect the Company’s future results and financial condition, please see the sections entitled “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Quantitative and Qualitative Disclosure About Market Risk.”

The forward-looking statements contained herein are identified by the use of terms and phrases such as “ambition,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “objectives,” “outlook,” “plan,” “probably,” “project,” “seek,” “target,” “will” and similar terms and phrases. Such forward-looking statements include, but are not limited to, statements concerning:

- our strategy to finance our operations, including our planned construction and expansion;
- future marketing efforts, advertising campaigns, and promotional efforts;
- future growth and market share projections, including projections regarding developments in technology and the effect of growth on our management and other resources;
- our expectations of the potential impact of pandemics and public health crises, such as the Coronavirus Disease 2019 (“COVID-19”) pandemic, and related public health measures on our business, the businesses of our customers, vendors and partners, and the economy;
- the effect of facility expansions on our fixed costs;
- our future expansion plans;
- our future acquisition strategy, including plans to acquire or make investments in complementary businesses, technologies, services or products, or enter into strategic partnerships with parties who can provide access to those assets;
- the future impact of our acquisitions;
- our strategy and intentions regarding new product branding;
- the future competitive landscape and the effects of different pricing strategies;
- the effect of current tax laws;
- the effect of future tax laws on our business;
- the outcome of any legal proceeding, hearing, or dispute (including tax hearings) and the resulting effects on our business;
- our ability to implement and maintain effective internal control over financial reporting;
- projections that the legal proceedings and claims that have arisen in the ordinary course of our business will not have a material and adverse effect on the results of operations or the financial position of the Company;
- expectations of future dividend payouts or other corporate actions, such as a buyback or bonus issue;
- projections that our cash and cash equivalent along with cash generated from operations will be sufficient to meet our working capital requirements and certain of our obligations;
- our compensation strategy;
- projections regarding currency transactions, including the effect of exchange rates on the Indian Rupee and the U.S. dollar;
- the nature of our revenue streams;
- the effect of a strategically located network of software development centers, and whether it will provide us with cost advantages;
- our ability to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technology;
- projections regarding future economic policy, legislation, foreign investment, tariffs and trade wars, currency exchange and other geopolitical events and policy matters that may affect our business;
- the nature and flexibility of our business model;
- expectations as to our future revenue, margins, expenses and capital requirements; and
- our exposure to market risks.

We wish to ensure that all forward-looking statements are accompanied by meaningful cautionary statements, so as to ensure to the fullest extent possible the protections of the safe harbor established in the Private Securities Litigation Reform Act of 1995. Accordingly, all forward-looking statements are qualified in their entirety by reference to, and are accompanied by, the discussion of certain important factors that could cause actual results to differ materially from those projected in such forward-looking statements in this report, including the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” We caution the reader that this list of important factors may not be exhaustive. We operate in rapidly changing businesses, and new risk factors emerge from time to time. We cannot predict every risk factor, nor can we assess the impact, if any, of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s analysis only as of the date hereof. In addition, readers should carefully review the other information in this Annual Report on Form 20-F and in the Company’s periodic reports and other documents filed with the Securities and Exchange Commission (“SEC”) from time to time.

## PART I

### **Item 1. Identity of Directors, Senior Management and Advisers.**

Not applicable.

### **Item 2. Offer Statistics and Expected Timetable**

Not applicable.

### **Item 3. Key Information**

#### **Selected Financial Data**

#### **Summary of Consolidated Financial Data**

You should read the summary of consolidated financial data below in conjunction with the Company's consolidated financial statements and the related notes, as well as the section entitled "Operating and Financial Review and Prospects," all of which are included elsewhere in this Annual Report. The summary of Consolidated Statements of Profit or Loss data for the five years ended March 31, 2026, 2025, 2024, 2023 and 2022 and the summary of Consolidated Statement of Financial Position as of March 31, 2026, 2025, 2024, 2023 and 2022 have been derived from our audited consolidated financial statements and related notes to the consolidated financial statements which were prepared and presented in accordance with IFRS as issued by the International Accounting Standards Board (the "IASB"). Historical results are not necessarily indicative of future results.

**Sify Technologies Limited**  
**Consolidated Statement of Profit or Loss as per IFRS 18**  
(In millions of Rupees, except share and per share data and as otherwise stated)

	Year ended March 31,					2026 Convenience translation into US\$ in millions, except share and per share data (See Note 2)
	2026 ₹	2025 ₹	2024 ₹	2023 ₹	2022 ₹	
Revenue	44,877	39,886	35,634	33,404	27,026	474
Cost of sales	(26,843)	(24,917)	(22,378)	(21,379)	(16,042)	(284)
Gross Profit	18,034	14,969	13,256	12,025	10,984	190
Other operating income	376	363	379	324	147	4
Selling, general and administrative expenses	(8,123)	(7,442)	(6,462)	(5,729)	(4,936)	(86)
Depreciation and amortization	(7,274)	(5,633)	(4,773)	(3,972)	(3,283)	(77)
Impairment loss on goodwill					(15)	
<b>Operating Profit</b>	<b>3,013</b>	<b>2,257</b>	<b>2,400</b>	<b>2,648</b>	<b>2,897</b>	<b>31</b>
Investment income	34	188	156	40	55	0
Impairment provision on investments	(26)	-	-	-	-	(0)
<b>Profit before financing and Income taxes</b>	<b>3,021</b>	<b>2,445</b>	<b>2,556</b>	<b>2,688</b>	<b>2,952</b>	<b>31</b>
Finance income	1	13	-	10	2	0
Finance expenses (including interest on pension liabilities)	(3,963)	(2,744)	(2,204)	(1,677)	(1,106)	(42)
<b>Net finance income / (expense)</b>	<b>(3,962)</b>	<b>(2,731)</b>	<b>(2,204)</b>	<b>(1,667)</b>	<b>(1,104)</b>	<b>(42)</b>
<b>Profit / (loss) before tax</b>	<b>(941)</b>	<b>(286)</b>	<b>352</b>	<b>1,021</b>	<b>1,848</b>	<b>(11)</b>
Tax (expense) / benefit	(425)	(499)	(183)	(346)	(590)	(4)
<b>Profit / (loss) for the year attributable to equity holders</b>	<b>(1,366)</b>	<b>(785)</b>	<b>169</b>	<b>675</b>	<b>1,258</b>	<b>(15)</b>
<b>Earnings per share</b>						
Basic earnings per share	(3.14)	(2.10)	0.92	3.69	6.89	(0.03)
Diluted earnings per share	(3.14)	(2.10)	0.91	3.63	6.73	(0.03)

**Extract on Consolidated Statement of Financial Position**  
(Rupees in millions, except share and per share data)

**Convenience translation into US\$ in millions, except share and per share data (See Note 2)**

Particulars	March 31,					
	2026 ₹	2025 ₹	2024 ₹	2023 ₹	2022 ₹	2026 \$
Cash and cash equivalents including restricted cash and other bank deposits	5,072	6,758	5,835	4,845	4,574	54
Net current assets	(8,888)	(2,739)	577	259	902	(94)
Total assets	90,673	83,329	70,982	57,404	47,067	958
Total equity attributable to equity shareholders of the Company	18,933	20,129	18,072	15,146	14,476	200
Capital Stock including Share Premium	24,162	24,134	21,579	21,526	21,516	255
Number of equity shares (Note 1)	434,607,689	434,102,399	183,332,460	182,835,369	182,742,369	434,607,689
<b>Cash Flow Data</b>						
<b>Net cash provided by / (used in):</b>						
Operating activities	7,176	8,647	5,935	8,113	2,245	76
Investing activities	(12,905)	(12,324)	(12,458)	(13,765)	(7,593)	(136)
Financing activities	5,159	4,730	7,442	4,939	4,170	53

**Notes**

- Reference to shares and per share amounts refers to our equity shares. Our outstanding equity shares include equity shares held by a depository underlying our ADSs. Effective October 4, 2024, the Company has changed its ratio of American Depositary Shares (“ADSs”) to equity shares from one (1) ADS representing one (1) equity share to one (1) ADS representing six (6) equity shares.
- Refer to Note 2(c) of the financial statements for the exchange translation.

**Exchange Rates**

Our functional currency is the Indian rupee. The exchange rate between the rupee and the U.S. dollar has changed substantially in recent years and may fluctuate substantially in the future. Our exchange rate risk primarily arises from our foreign currency revenues, receivables and payables.

Fluctuations in the exchange rate between the Indian rupee and the U.S. dollar may affect the market price of our ADSs. Such fluctuations also impact the U.S. dollar conversion by the depository of any cash dividends paid in Indian rupees on our equity shares represented by the ADSs.

On March 31, 2026, the reference rate in the City of Mumbai for wire transfers in Indian rupees as published by the RBI was ₹ 94.6543.

On June 25, 2026, the reference rate in the City of Mumbai for wire transfers in Indian rupees as published by RBI was ₹ 94.4804.

**Capitalization and indebtedness**

Not applicable.

**Reasons for the offer and use of proceeds**

Not applicable.

## Risk Factors

Investing in our American Depositary Shares, or ADSs, involves a high degree of risk. This Annual Report contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those described in the following risk factors and elsewhere in this Annual Report. If any of the risks actually occur, our business, financial condition, operating results and prospects could be materially and adversely affected. In that event, the market price of our ADSs could decline, and you could lose part or all of your investment. Our business, operating results, financial performance, or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material.

### Summary of Risk Factors

The following is a summary, organized under relevant headings of some of the risks that could adversely impact our business and financial performance and an investment in our ADSs. The list below is not exhaustive, and you should carefully read and consider all of the information discussed in the “Risk Factors” section of this Annual Report for a more thorough description of these and other risks.

Risks related to our Company and Industry:

- We may incur losses/ losses might increase in the future and we may not achieve or maintain profitability due to pricing pressure and less than optimum capacity and asset utilization rates, intense competition, ability to manage costs, ability to meet license conditions and export obligations.
- Our ability to innovate our service offerings, delivery models, procurement and financing models, our ability to manage fixed and semi-variable costs when there is uncertainty of future revenue may impact our profitability and ability to sustain our business.
- Our ability to qualify for high value Government contracts and increasing exposure to Government contracts may affect working capital and expose to additional risks of compliance and litigations.
- Customer retentions, cancellations and renewals may fail to meet our projections, negatively affect revenue and adversely impact our profitability and operations.
- Our network centric services are subject to the following specific risks:
  - o Additional licensing fees and changes in spectrum allocation may adversely impact our wireless service delivery of our network business.
  - o Due to declining revenue contribution relative to increases in related sales volume, our network business may experience declining growth rates in the future.
  - o Contingent liabilities due to demands made by the Department of Telecommunications on revenues, which are presently disputed by the Company and pending before High Court of Madras.
  - o Contingent liabilities due to appeal by Income Tax Department against Sify’s favourable order from Income Tax Appellate Tribunal. The case is pending before High Court of Madras.
- Our Data Center services are subject to the following specific risks:
  - o Due to huge demands of power, our data centers may not be competitive in terms of environmentally protective features, and our ability to manage power costs may adversely affect operations and profitability.
  - o Disruption in availability of power and alternative fuel may affect our profitability.
  - o Longer implementation cycles may result in working capital shortfall, and anticipated capital requirements may not be met with short term funds generated from operations.
  - o We may be unable to access capital to sufficiently fund the expansion of our data center footprint to meet customer expansion requirements.
  - o Our data centers may not be competitive enough in terms of green/renewable features.  
We are committed to increasing our use of renewable energy as part of our long-term sustainability strategy and to meet our power needs for our operations. If we are unable to efficiently execute this transition or if the required capital expenditures exceed our projections and we do not see adequate financial returns, it could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

- Our Digital Services are subject to the following specific risks:
  - o Our ability to meet changing demands with redefined service offerings may affect our profitability and operations.
  - o Security breaches may have a material adverse effect on our customers and thereby operations and profitability.
  - o Failure to meet the specified Service Level Agreements (“SLAs”) and quality on sub-contracting of sensitive segments of customer contracts may affect the profitability and ability to continue the business.
  - o Lack of improvement in skills, evolving tools and applications, emergence of enterprise software suites, artificial intelligence, robotics, machine learning and ability to hire and retain highly skilled employees may affect growth and profitability.

#### Risks related to regulations and compliance

- Any failure on our part to comply with regulations related to our business such as the Information Technology Act 2000, as amended in 2011 (the “ITA”), Telecom Regulatory Authority of India (“TRAI”), could expose us to fines and penalties that would negatively impact our profitability.
- New and changing regulatory compliance, corporate governance and public disclosure requirements add uncertainty to our compliance policies and increase our cost of compliance.
- In the event that the GOI or the government of another country changes its tax policies in a manner that is adverse to us, our tax expense may materially increase, reducing our profitability.
- Indian laws limit our ability to raise capital outside India and may limit the ability of others to acquire us, which could prevent us from operating our business or entering into a transaction that is in the best interests of our shareholders.
- Our or our partners’ failure to comply with data privacy and security laws and regulations in many different jurisdictions and countries where we do business could result in fines, penalties, and reputational damage.
- Failure to establish or maintain an effective system of internal control over financial reporting could impair our ability to comply with applicable financial reporting requirements and make related regulatory filings on a timely basis.
- Any failure on our part to comply with regulations related to our business such as the Digital Personal Data Protection Act, 2023 (“DPDP”), could expose us to fines and penalties that would negatively impact our profitability.
- Failure on our part to comply with new Income Tax Act, 2025, and rules thereunder could expose us to fines and penalties that would negatively impact our profitability.
- Failure on our part to comply with New Labour Codes, 2025 could expose us to fines and penalties that would negatively impact our profitability.

#### Risks related to our Equity Shares, ADSs and Trading Market

- Our ability to meet continued listing conditions, particularly the requirement of our ADS price to be traded above \$1 because of limited liquidity may affect ADS holders.
- Volatility of market prices, interests of our significant shareholder, ability to exercise voting rights, sales of shares by our existing shareholders, tax laws on dividends and dividend policy of the Company may affect ADS holders.
- Regulations on foreign exchange to convert dividends declared in Indian rupees to U.S. dollars may affect ADS holders.

#### Risks related to Investments in Indian companies

- Changes in the policies of the GOI or political instability may adversely affect economic conditions in India generally, which could impact our business and prospects.
- Regional conflicts in the South Asian and West Asian regions could adversely affect the Indian economy, disrupt our operations and cause our businesses to suffer.
- Terrorist attacks could adversely affect our business, results of operations and financial condition.
- Frequent natural disasters due to climate changes globally could affect our operations.
- ADS holders may be adversely affected by the difficulty of enforcing a foreign judgment against the Company or other parties located in India.

## Risks Related to our Company and Industry

### ***We may incur losses in the future and we may not achieve or maintain profitability.***

We have incurred losses in the current year and also in the past. We may, in the future incur net losses and suffer negative operating cash flows. We expect to increase our expenditures as we continue to expand our services, promote our brand, and invest in the expansion of our infrastructure. In the future, we may incur expenses in connection with investments in Network, Data Centers and related infrastructure, our digital delivery platforms and manpower to build future businesses. Accordingly, we will need to significantly increase our revenues to improve our profitability. We cannot assure you that we will improve our profitability or that we will not incur operating losses in the future. If we are unable to become consistently profitable and incur losses, we may be unable to build a sustainable business and our results of operations may be adversely affected. In this event, the price of our ADSs and the value of your investment may decline.

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

Our customers' IT spending is often driven by their growth in revenue. Economic contractions may reduce the IT spending budgets of our customers which may adversely affect our revenue, profitability and results of operation. Currency fluctuations will also lead to variations in revenue. Our Infrastructure Managed Services, National Long Distance ("NLD") / International Long Distance ("ILD") business and eLearning may be affected in terms of prices and growth.

With regard to the Indian economy, we continue to experience pricing pressure due to competition in the markets in which we operate. Lead times for orders or contracts have become much longer, as we have longer credit periods. These factors have affected and will affect the growth in demand for our corporate business.

We have invested in building our Network and Data Center infrastructure and will continue to invest in the future. Our utilization rates of the existing and prospective infrastructure will determine our profitability. We may not utilize our infrastructure at the optimum level which would impact our revenue.

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

### ***Intense competition in our businesses could prevent us from improving our profitability and we may be required to further modify the rates we charge for our services in response to new pricing models introduced by new and existing competition which would significantly affect our revenues.***

We operate in extremely competitive markets where the investment capability and size of the competitors are much larger than ours. For instance, our corporate network services compete with well-established companies, including Reliance Jio Infocomm Limited, Bharti Airtel Limited, Tata Communications Limited, Government-owned telecom companies and Bharat Sanchar Nigam Limited, and our data center services compete with NTT Data Centers, Nxtra Data (by Airtel), CtrlS Data centers, and ST Telemedia GDC, alongside global players like Equinix and Digital Realty who continue expanding their Indian presence.

The large players may enjoy significant competitive advantages over us, including greater financial resources, which could allow them to charge prices that are lower than ours in order to attract customers. These factors could result in lower actual average selling prices of our services. The retail internet market has seen significant reduction in prices by all operators due to pricing strategy of certain players. This has significantly affected the customer base and the average revenue per user of the existing operators. We may see similar trends in the enterprise market as well, which may have an adverse effect on our revenues and operating margins. Increased competition may result in operating losses, loss of market share and diminished value in our services, as well as different pricing, service or marketing decisions. In addition, competition may generally cause us to incur unanticipated costs associated with research and product development. Additionally, we believe that our ability to compete also depends in part on factors outside our control, such as the availability of skilled employees in India, the price at which our competitors offer comparable services, and the extent of our competitors' responsiveness to their clients' needs. We cannot assure you that we will be able to successfully compete against current and future competitors, or that we will not lose key employees or customers to such competitors, which may adversely affect our business and results of operations.

***Our business will suffer if we fail to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technology.***

The technology market is characterized by rapid technological change, evolving industry standards, changing client preferences and new product and service introductions. Additionally, continual advances in technology trends, including in the areas of cloud computing, IoT, SD-WAN, software-as-a-service, technology advancements in national long distance, last mile delivery including 5G, and artificial intelligence allow new business models that could replace current lines of business.

Our future success will depend on our ability to anticipate these advances and develop new product and service offerings to meet client needs. We may fail to anticipate or respond to these advances on a timely basis, or, if we do respond, the services or technologies that we develop may not be successful in the marketplace.

We have introduced and propose to introduce several solutions involving complex delivery models combined with innovative outcome-based pricing models. The complexity of these solutions, our inexperience in developing or implementing them and significant competition in the markets for these solutions may affect our ability to market these solutions successfully. In addition, better or more competitively priced products, services or technologies that are developed by our competitors may render our service non-competitive. Unless we are able to adopt and deploy these advancements, we may lose our competitive position in the marketplace, which would adversely affect our revenues and could lead to increased customer attrition, as our customers switch to other providers.

***Pressure on margins may affect the results of our operations.***

Our margins have been relatively stagnant due to competitive pricing pressure. While we seek to manage costs efficiently, there may not be improvements in margins due to the sustained pricing pressure. Unavailability of tax loss carryforwards could impact our margins in the current year and the future. Our continuing investment in infrastructure may result in lower margins in the initial years of investment and may or may not improve further, which will adversely impact our margins.

***Despite our best efforts to optimize costs, our future operating results could fluctuate in part because our expenses are relatively fixed in the short term while future revenues are uncertain, and any adverse fluctuations could negatively impact the price of our ADSs.***

Our revenues, expenses and operating results have varied in the past and may fluctuate significantly in the future due to a number of factors, many of which are outside our control. A significant portion of our investment and cost base is relatively fixed in the short term. Our revenues in the foreseeable future will depend on many factors, including the following:

- the range of services provided by us and the usage thereof by our customers;
- the quantity and nature of any agreements we enter into with strategic partners for our services;
- the services, products or pricing policies introduced by our competitors;
- capital expenditure and other costs relating to our operations;
- the timing and quality of our marketing efforts;
- our ability to successfully integrate operations and technologies from any acquisitions, joint ventures or other business combinations or investments;
- the introduction of alternative technologies; and
- technical difficulties or system failures affecting the telecommunication infrastructure in India, the Internet generally or the operation of our websites.

We plan to continue to expand and invest in our infrastructure. Many of our expenses are relatively fixed in the short-term. We cannot assure you that our revenues will increase in proportion to the increase in our expenses. We may be unable to optimize the cost immediately to offset any unexpected revenues shortfall. This could lead to a shortfall in revenues in relation to our expenses and adversely affect our revenue and operating results.

You should not rely on yearly comparisons of our results of operations as indicators of future performance. Operating results could be below the expectations of public market analysts and investors. In this event, the price of our ADSs could decline.

***Capital and credit market conditions may adversely affect our access to capital, the cost of capital, and ability to execute our business plan.***

Access to capital markets is critical to our ability to operate. We may require additional financing in the future for the development of our business. Declines and uncertainties in the global capital markets over the years have severely restricted raising new capital and have affected companies' ability to continue to expand or fund new projects. If these economic conditions continue or become worse, our future cost of equity or debt capital and access to the capital markets could be adversely affected. Our ability to obtain future financing will depend on, among other things, our financial condition and results of operations as well as the condition of the capital markets or other credit markets at the time we seek financing. In addition, an inability to access the capital markets on favorable terms due to our low stock price, or upon our delisting from the NASDAQ Capital Market if we fail to satisfy a listing requirement, could affect our ability to execute our business plan as scheduled.

We can give no assurance as to the availability of such additional capital or, if available, whether it would be on terms acceptable to us. In addition, we may continue to seek capital through the public or private sale of securities, if market conditions are favorable for doing so. If we are successful in raising additional funds through the issuance of equity securities, stockholders will likely experience substantial dilution. If we are unable to enter into the necessary financing arrangements or sufficient funds are not available on acceptable terms when required, either due to market fluctuations or regulations imposed by the Indian Governmental authorities, we may not have sufficient liquidity and our business may be adversely affected.

***Our business may not be compatible with delivery methods of bandwidth / connectivity developed in the future.***

We face the risk that fundamental changes may occur in the delivery of connectivity services in India. The internet market has seen significant changes in the recent past from connecting fixed offices/locations to connecting mobile devices to connecting disparate automated devices and to continue to be relevant in this dynamic and disruptive environment; we will have to develop new technology or modify our existing technology to accommodate these developments. Our pursuit of these technological advances, whether directly through internal development or by third-party license, may require substantial time and money. We may be unable to adapt our connectivity service business to alternate delivery means and new technologies may not be available to us at all. We provide wireless connectivity on the 5.7 GHz spectrum which is de-licensed. This burdens the spectrum band utilized by us, limiting our ability to offer our services. Hence, we do not own any licensed spectrum to offer our services. We are exploring suitable spectrum that is technically feasible to offer our services. However, we may not get the licensed spectrum, and the spectrum allocation may be inconsistent with industry standards. The current capacity may be insufficient to offer a breadth of services. The Government may issue instructions to release the spectrum that we hold. The high cost of spectrum acquisition may be inconsistent with our revenue and cost models. We may not keep up with the pace of change that takes place in wireless technologies.

***Disruption to our Networks and Data Center infrastructure may cause us to lose customers and/or incur additional expenses.***

Some of the risks to our infrastructure include physical damage, security breaches, capacity limitations, power surges or outages, software incompatibility and/or other disruptions beyond our control, such as natural disasters and acts of terrorism. From time to time in the course of our operations, we experience disruptions in our service due to factors such as cable damage, theft of our equipment, inclement weather and service failures of our third-party service providers. Disruptions may cause interruptions in service or reduced capacity for customers, either of which could cause us to lose customers, or increase our operating expense, both of which could adversely affect our business, revenues and cash flows.

***The success of our business depends on wider reach of network in India, which may be slowed or halted by technical obstacles in India.***

Wider reach of network and availability of increased bandwidth in India, which is the measure of network penetration, has been relatively low and slow compared to many developing and developed countries in the world. Although in recent years, the coverage of tier III/tier IV cities has increased, there may be many technical obstacles to accessing certain regions which may increase the cost of building the network and thereby cause a slowdown or halt the consumption of network services, which would adversely affect our operations.

***We may be compelled to surrender or pay additional amounts for the spectrum that was allotted to us earlier.***

The GOI has asked us to surrender certain range of spectrum allotted to us and the same was auctioned as Broadband Wireless Access ("BWA") spectrum. The GOI also has asked us to make payment for certain spectrum from the date of allotment or to surrender the same. The other range of spectrum that we have been operating, 5.7 GHz, is also close to capacity utilization and will need to be augmented in the near future. Enterprise connectivity will need licensed bands of spectrum for assured quality and security, so the non-availability of spectrum would materially adversely affect our business and results of operations. In the event of the surrender of the spectrum of certain frequencies, our future plans for expansion of services may be hampered, and there are no assurances that we will be able to obtain additional replacement spectrum.

***We might not be able to grow Network services due to a declining contribution.***

In the Network services business, realization could be lower year-on-year based on the market conditions. Every year when annual contracts come up for renewal, customers sign up for more bandwidth or more links at a lower unit price. This is offset somewhat by lower bandwidth costs, which we renegotiate with our service providers. This impacts us in two ways: first, despite an increase in sales volume, we may not see a commensurate rise in revenues; and secondly, margins in our business are continually shrinking. Therefore, our revenue from our connectivity business may stagnate with declining bandwidth prices.

***Our inter-city network is leased from other service providers and is dependent on their quality and availability.***

We have provided inter-city connectivity for our Enterprise customers through lease arrangements rather than through capital investment in assets. Accordingly our ability to offer high quality telecommunication services depends, to a large extent, on the quality of the networks maintained by other operators, and their continued availability, neither of which is under our control. However, the abundance of inter-city connectivity provides us with the ability of switching to operators offering better services. Although we always use more than one service provider where required, there can be no assurance that this dependence on external parties would not affect our network availability. Any prolonged loss of network availability could adversely affect our business and results of operations.

***Our current infrastructure may not accommodate increased use while maintaining acceptable overall performance.***

Currently, only a relatively limited number of customers use our corporate network. We must continue to add to our network infrastructure to accommodate additional users, increasing transaction volumes and changing customer requirements. We may not be able to project accurately the rate or timing of increases, if any, in the use of our websites or upgrade our systems and infrastructure to accommodate such increases. Our systems may not accommodate increased use while maintaining acceptable overall performance. Service lapses could cause our users to use the online services of our competitors, and numerous customer defections may adversely affect our results of operations.

***The GOI may change its regulation of our business or the terms of our license to provide Internet access services, Voice over Internet Protocol (“VoIP”) and VPN services without our consent, and any such change could decrease our revenues and/or increase our costs, which would adversely affect our operating results.***

Our business is highly regulated by the GOI’s telecommunications policy. Our Internet Service Provider license, issued in the year 1998, was valid for a term of 15 years. We have been issued new licenses under the Unified License dated June 2, 2014, with a validity of 20 years. If we are unable to renew the licenses for any reason, we will not be able to continue providing Internet access services, VoIP and VPN services beyond license terms, which would adversely affect our business or results of operations.

The GOI has the right to revoke, terminate, suspend or take over entire operations for reasons such as national security or similar reasons without compensation to us. In view of increasing cyber threats and attacks, the GOI may require telecom licensees (including Internet Service Providers) at their costs to provide monitoring facilities across its network, and facilities for capture and retention of data in terms of traffic flow, usage details, etc. This would result in a significant increase in costs and possible less usage due to perceived invasion of privacy by customers.

Certain GOI departments have been investigating whether use of Session Initiation Protocol, (“SIP”), terminals to make calls to phones abroad is permissible within an Internet Service Provider license. We believe that such overseas phone calls are permitted because a SIP terminal is a “computer” as defined in the ITA. We may have to make a significant capital investment in SIP terminals to make them PC-equivalent, if the GOI authorities issue regulations governing SIP usage contrary to our beliefs, which would have a material effect on our results of operations.

***Our profits may be impacted due to increases in license fees by the Department of Telecommunications (“DOT”) of the GOI.***

Effective July 2012, the GOI amended the annual license fee for the NLD/ILD/ISP license agreements. Under such amendment, all services under the NLD/ILD license have been subjected to an increased license fee from the existing 6% of telecommunications revenue to 7% from July 2012 to March 2013 and 8% from April 2013 onwards. The GOI also amended the Internet Service Provider license, increasing the license fee to 7% of telecommunications revenue from July 2012 to March 2013 and to 8% from April 2013 onwards. Sify has been paying the license fees as per the terms of the applicable license, which are calculated based on revenue from telecommunications businesses. However, DOT has proposed including other business income (other than the licensed based activities) in the license fee calculations. We filed a writ petition with the Madras High Court challenging DOT’s proposal to levy license fees on non-licensed activities. The Madras High Court stayed DOT’s proposal, so Sify currently excludes revenue from other business income from the calculation of the license fee. After finally hearing the parties, the Madras High Court in its judgement dated April 30, 2024, quashed the 18 demands made by DOT and held that DOT cannot claim license fees on non-telecommunications revenue. DOT has appealed before the Madras High Court challenging the judgement dated April 30, 2024, and this appeal which is now pending for adjudication.

Separately, DOT initiated a lawsuit demanding license fees on internet service providers whose license had expired and migrated to Unified License in the year 2013 but gave an exemption to those providers whose license did not expire. The Telecom Disputes Settlement and Appellate Tribunal quashed DOT’s demand, stating it was discriminatory. DOT filed an appeal before the Supreme Court.

Further, the Company is in receipt of a show cause notice from the Goods and Service Tax (“GST”) department, which claims GST on the demand raised by DOT to levy license fees on non-licensed activities. The Company has filed a writ petition with the Madras High Court and has been granted stay until the DOT appeal challenging the Madras High Court judgement on license fees on the non-telecommunications revenue (described above) is concluded.

We cannot assure you that there will not be any increases in license fees in the future. Any other increase in license fees by DOT, such as increases in fees to be paid for using the licensed spectrum, could adversely affect our profitability.

***We may not be able to retain and acquire customers for our Data Centers.***

India has become a fast growing Data Center hub pursuant to a massive and growing internet user base, explosion of data, and establishment of a favorable environment through the Government’s “Digital India initiative” which provides some advantages to investors like accessibility of land and raw material, worldwide connectivity via submarine cables in cities like Mumbai and Chennai, a skilled workforce, economic power supply and strategic geographic position from a global perspective. A buildup of new data centers or reduced demand for data center services could result in an oversupply of data center capacity in large commercial centers in India. Excess data center capacity could lower the value of data center services and limit the number of economically attractive markets that are available to us for expansion. All of these factors have increased the competition of the Data Center business. In order to improve our competitiveness, we continue to expand our Data Center infrastructure. However, if competitors are more successful than we are in the market, it could be difficult for us to retain and/or acquire customers. Furthermore, once customers cease using our services and choose another service provider, it may require substantial efforts in terms of cost and time to re-acquire such customers, and despite spending on such customer acquisition or retention, we may be unsuccessful in retaining such customers.

If we are unable to attract adequate customers, our revenues may decline, which could have an adverse effect on our future results of operations and financial condition.

***Our Data Centers may not be competitive enough in terms of green features.***

We may fail to convert our existing Data Centers and/or build new Data Centers in line with the Leadership in Energy and Environmental Design (“LEED”) Commercial Interior program. LEED certification is an internationally recognized program developed by the United States Green Building Council and is considered one of the highest standards for energy efficient constructions. Our Data Centers are all situated in India, and we use the Indian equivalent of LEED, India Green Building Certified (“IGBC”), which is administered by the Confederation of Indian Industries. The IGBC framework is incorporated in all of our upcoming Data Centers at Noida (green rated), Rabale and Chennai. The IGBC requires certain factors such as energy efficiency in operations, maximum use of natural light, motion-sensor based light and taps and low volatile organic compounds. Our service providers for the products used in our Data Centers have to submit their products for energy efficiency rating to IGBC. Only after IGBC certification are these products implemented in our Data Centers. We also have independent green measures in place such as site ecology, water conservation, smart energy meters and equipment, reduction of CO2 emissions, high recycle content, effective waste management and eco-friendly interiors. However, increased demand for green Data Centers may hamper the marketing of our existing Data Centers that are not LEED certified.

Regulations around climate change force us to adopt actionable sustainability strategies into every operational facet from initial design through procurement, construction, and ongoing operations which increases the cost of building and operating a Data Center, and this may have an impact on our revenue.

***Reduction in power supply and unavailability of fuel may affect our Data Centers.***

India’s physical infrastructure, including its electricity grid, is less developed than that of many countries. As a result of grid constraints, such as grid congestion and restrictions on transmission capacity of the grid, the transmission and dispatch of electricity could be curtailed. There have been acute power shortages in the past in India, and if such shortages were to recur, there could be a reduction in the availability of electricity. We may have to cease Data Center operations during periods when electricity cannot be delivered, for instance, when the transmission grid malfunctions. If there is no power supply available to our Data Centers, we resort to alternate sources of power, and the running of the Data Centers will then depend on the availability of fuel/renewable energy, which will increase the cost of our operations. Additionally, unavailability of power/fuel would disrupt our operations and would make it difficult for our customers to access data during such times. Also, conflict in the Middle East can result in financial impacts that may result in oil price and gas price increases, which can affect the power cost, fuel availability and impact in the provision of power to customers in our Data Centers.

***Clients who rely on us for the colocation of their servers could potentially sue us for their lost profits or damages if there are disruptions in our services, which could impair our financial condition.***

As our services are critical to many of our clients’ business operations, any significant disruption in our services could result in lost profits or other indirect or consequential damage to our clients. Although some of our client contracts contain provisions attempting to limit our liability for breach of the agreement, there can be no assurance that a court would enforce any contractual limitations on our liability in the event that one of our clients brings a lawsuit against us as the result of a service interruption that they may ascribe to us. The outcome of any such lawsuit would depend on the specific facts of the case and any legal and policy considerations that we may not be able to mitigate. In such cases, we could be liable for substantial damage awards.

***We face risks associated with having a long selling and implementation cycle for our services that requires us to make significant capital expenditures and resource commitments prior to recognizing revenue for those services.***

Data Center service typically requires significant investment of capital and resources by both our customers and us. A customer's decision to utilize our colocation services, our managed services or our other services typically involves time-consuming contract negotiations regarding the service level commitments and other terms, and substantial due diligence on the part of the customer regarding the adequacy of our infrastructure and attractiveness of our resources and services. Our efforts in pursuing a particular sale or customer may not be successful. If our efforts in pursuing sales and customers are unsuccessful, our financial condition could be negatively affected. Costs to successfully deliver the customer requirements may result in higher costs than anticipated due to the longer implementation cycle affecting our financial results.

***The Data Center business is capital-intensive, and our expectation for our capacity to generate capital in the short term may be insufficient to meet our anticipated capital requirements.***

The costs of building, developing and operating Data Centers are substantial. Further, we may encounter development delays, excess development costs, or delays in developing space for our customers to utilize. We also may not be able to identify suitable land or facilities for new Data Centers or at a cost or terms acceptable to us. We are required to fund the costs of building, developing and operating our Data Centers with cash retained from operations, as well as from financings from bank and other borrowings. Moreover, the costs of building, developing and operating Data Centers have increased in recent years, and may further increase in the future, which may make it more difficult for us to expand our business and to operate our Data Centers profitably. We may face challenges to access capital and raise debt to sufficiently fund the expansion of our Data Center footprint to meet customer expansion requirements. If we cannot generate sufficient capital to meet our anticipated capital requirements, our financial condition, business expansion and future prospects could be materially affected.

***Our customer base may decline if our customers or potential customers develop Data Centers or expand their own existing Data Centers.***

Some of our customers may develop their own Data Center facilities. Other customers with their own existing Data Centers may choose to expand their Data Center operations in the future. In the event that any of our key customers were to develop or expand their Data Centers, we may lose business or face pressure as to the pricing of our services. In addition, if we fail to offer services that are cost-competitive and operationally advantageous as compared with services provided in-house by our customers, we may lose customers or fail to attract new customers. If we were to lose a customer, there is no assurance that we would be able to replace that customer at the same or a higher rate, or at all, and our business and results of operations would suffer.

***Our Data Center infrastructure may become obsolete or unmarketable and we may not be able to upgrade our power, cooling, security or connectivity systems cost-effectively or at all.***

The markets for the Data Centers we own and operate are characterized by rapidly changing technology, evolving industry standards, frequent new service introductions, shifting distribution channels and changing customer demands. As a result, the infrastructure at our Data Centers may become obsolete or unmarketable due to demand for new processes and/or technologies, including, without limitation: (i) new processes to deliver power to, or eliminate heat from, computer systems; (ii) customer demand for additional redundancy capacity; (iii) new technology that permits higher levels of critical load and heat removal than our Data Centers are currently designed to provide; and (iv) an inability of the power supply to support new, updated or upgraded technology. In addition, the systems that connect our Data Centers to the Internet and other external networks may become outdated, including with respect to latency, reliability and diversity of connectivity. When customers demand new processes or technologies, we may not be able to upgrade our Data Centers on a cost-effective basis, or at all, due to, among other things, increased expenses to us that cannot be passed on to customers or insufficient revenue to fund the necessary capital expenditures. The obsolescence of our power and cooling systems and/or our inability to upgrade our Data Centers, including associated connectivity, could reduce revenue at our Data Centers and could have a material adverse effect on our business.

***Procurement of power at lower costs for Data Centers by competitors may put us at a disadvantage in terms of pricing for our Data Center operations.***

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

***If we are not successful in expanding our service offerings, we may not achieve our financial goals and our results of operations may be adversely affected.***

We have plans to expand the nature and scope of our service offerings, particularly into the area of cloud and managed services, including direct private connection to major cloud platforms and the provision of cloud infrastructure. The success of our expanded service offerings depends, in part, upon demand for such services by new and existing customers and our ability to meet their demand in a cost-effective manner. We may face a number of challenges expanding our service offerings, including:

- o acquiring or developing the necessary expertise in IT;
- o maintaining high-quality control and process execution standards;
- o maintaining productivity levels and implementing necessary process improvements;
- o controlling costs; and
- o successfully attracting existing and new customers for new services we develop.

A failure by us to effectively manage the growth of our service portfolio could damage our reputation, cause us to lose business and adversely affect our results of operations. In addition, growing our cloud and managed services may require significant upfront investment and continued expansion into these services may impact our profit margins. In the event that we are unable to successfully grow our service portfolio, we could lose our competitive edge in providing our existing cloud and managed services.

***We may encounter litigation and penalties due to any breach of system and security controls by associates or sub-contractors in connection with our online assessment services.***

We provide online assessment services to the Government, as well as to public and private sector parties. We provide these services through our online assessment tool. This tool can be used to engage employees and sub-contractors, as well as for student registration, exam center allocation, hall ticket issuance, question paper content creation, logistics planning, exam-day management, and results management. We cannot assure you that there may not be any breach of the system and security controls including any malpractice by candidates or sub-contractors or any person engaged with the conduct of the examination, which may expose us to criminal or civil enforcement actions in addition to penalties, disqualifications or suspension.

We cannot assure you that instances of breaches will not occur in future and any such instances may impact our reputation and cause an adverse effect on our business or results of operations.

***We engage third-party contractors to carry out various services.***

We endeavor to engage third-party contractors with proven track records, reliability and adequate financial resources. However, any such third-party contractor may still fail to provide satisfactory services at the level of quality required by us. Such failure could harm our reputation and have a material adverse effect on our business, reputation, financial condition and results of operations.

***We may fail to augment our skills and capability to best manage our services over Internet Protocol and data networks.***

We have been able to build a reputation and maintain our lead because of our expertise and capability with the delivery and management of services over Internet Protocol and data networks. Infrastructure such as networks is considered by customers as a commodity, and the only differential that we offer is our ability to manage and monitor services in a superior manner. With the build-up of the capability and experience of our competitors, we are at the risk of losing market share if we do not augment our skills and capabilities to keep our qualitative lead over them.

***It may not be possible for us to retain our brand equity if we do not make substantial investments for brand development.***

Our competitors offering similar services are all large telecommunication companies who make substantial investments in building their brand image across their services. Conversely, we are focused on IT infrastructure services over data networks and we believe that we enjoy the reputation of a specialist in these services. However, if we do not build up awareness as well as our brand and reputation over time, the sheer weight of investments in brand development by the larger telecommunication providers will dilute our brand recognition and competitive advantages.

***Any loss of business from our top clients could reduce our revenue and significantly impact our business.***

The services we offer for specific clients are likely to vary from year to year. Thus, a major client in one year may not provide the same level of revenues in a subsequent year. A number of factors other than our performance could cause the loss of or reduction in business or revenue from a client, and these factors are not predictable. For example, a client may demand price reductions, change its outsourcing strategy or move work in-house. If we lose one of our major clients or if one of our major clients significantly reduces its volume of business with us, our revenues and profitability could be reduced.

***If we are unable to meet our service level commitments, our reputation and results of operation could suffer.***

Most of our customer contracts require that we maintain certain service level commitments to our customers. If we fail to meet our service level commitments, we may be contractually obligated to pay the affected customer a financial penalty, which varies by contract, and the customer may in some cases be able to terminate its contract. In addition, if such a failure were to occur, there can be no assurance that our customers will not seek other legal remedies that may be available to them, including:

- requiring us to provide free services;
- seeking damages for losses incurred; and
- cancelling or electing not to renew their contracts.

Any of these events could materially increase our expenses or reduce our net revenue, which would have a material adverse effect on our reputation and results of operations. Our failure to meet our commitments could also result in substantial customer dissatisfaction or loss. As a result of such customer loss and other potential liabilities, our net revenue and results of operations could be materially and adversely affected.

***We may not meet the selection criteria set for high value contracts by the Government.***

As we participate in bidding for large Government contracts, as well as business from large corporations, we increasingly come under scrutiny for financial indicators. Unless we leverage our capacity and become consistently profitable, we could be excluded from major Government projects because we fail to meet their selection criteria, which would adversely affect our business and results of operations.

***The success of our business depends on our capability to develop compatible applications and tools.***

As we offer our Applications Integration services to an increasing base of large corporations, we run the risk of not being able to meet their needs for scaling and sophistication in the future if we do not build the capacity to develop and integrate applications software to meet with future needs. We may not have adequate resources to develop our capability as a result of emerging sophistication required for such services. The failure to develop such resources may adversely affect our business and results of operations.

***We may fail to offer end-to-end managed services to sustain our position.***

The telecommunications market is evolving towards service providers who offer end-to-end managed services that include managing entire enterprises down to individual desktops. If we are to continue to lead the market, we need to extend our range of services to ensure that our portfolio grows to include managed services where we can maintain leadership. It may be difficult for us to offer end-to-end managed services to sustain our leadership in managed services without significant capital expenditures which would adversely affect our cash position and results of operations.

***We may be unable to replace lost revenue due to customer cancellations, renewals at lower rates or other less favorable terms.***

Some customers may elect not to renew their contract with us, and others may renew at lower prices, lower committed traffic levels, or contract only for a shorter time frame. Historically, a significant percentage of our renewals, particularly with larger customers, have led to declines in unit price as competition has increased and the market for certain parts of our business has saturated. Our renewal rates may decline as a result of a number of factors, including competitive pressures, customer dissatisfaction with our services, customers' inability to continue their operations and spending levels, the impact of multi-vendor policies, customers implementing or increasing their use of in-house technology solutions and general economic conditions.

It is key to our profitability that we offset committed recurring revenue due to customer cancellations, terminations, price reductions or other less favorable terms by adding new customers, selling more high-margin services, features and functionalities to existing customers and increasing traffic usage by all customers. Inability to replace this lost revenue would adversely impact our business and results of operations.

In addition, as we expand the network to small cities and towns (semi – urban and rural locations), there is an operational cost involved in both the establishment and operation of these nodes. While the expansion is facilitated by a corporate order, we have to subsequently get additional business for capacity utilization in these nodes to make them profitable. If we are not able to do this rapidly by scaling up the business through these towns, we run the risk of overcapacity on the network in new areas, which results in a higher cost structure and lower margins.

***Absence of policy support will hamper Internet and Data Services.***

We have been and continue to be subject to Indian regulations regarding VPN license requirements, including requirements regarding the percentage of foreign holdings to offer VPN services as well the need for NLD/ILD licenses to offer VPN services and carrier voice services. The growth and development of the data and Internet sector is dependent on the policy support of DOT. Regulatory changes, as well as the continuing lack of policy initiatives to revitalize the data and Internet sector continue to be a risk.

We cannot influence policies that facilitate the growth and development of data and Internet connectivity in India. The absence of policy support for Internet and data services may hamper the growth of such services in the future, which would adversely affect our business and results of operations.

***Constant improvement of technology standards/ skills and evolving tools and applications are essential to sustain our position in remote management of IT infrastructure.***

We are relatively unknown outside of India in comparison to other established IT players who have a large base of customers. If we are not able to constantly upgrade our technology standards and skills, and if we are unable to scale for critical mass in the near term, our competitive position will be adversely affected.

Management of IT infrastructure is dependent on sophisticated tools and applications to remotely monitor the IT infrastructure and assets of customers. If we are unable to retain our competitive advantages in terms of evolving tools and applications, or the maturity of our processes, we may be at a competitive disadvantage compared with our larger competitors and lose customers.

***Emergence of enterprise software suites, artificial intelligence, robotics and machine learning may hamper the growth of our revenue.***

Competitors offering enterprise software suites for eLearning for large organizations to develop their own learning platforms could be a threat to our business in the future. We may lose our business to our competitors, and if we are unable to acquire new customers or retain our existing customers, our revenues and results of operations may suffer. Additionally, the emergence of machine learning and artificial intelligence technologies and applications could adversely impact our revenues.

Artificial intelligence with digital technologies such as robotic process automation create bots that have helped in achieving end-to-end automation in the field of managed services, enabling the transformation of the service operations to provide a better end-user experience by increasing overall effectiveness and efficiency. This may lead to customers developing their own in-house tools to support such services or moving to our competitors with whom they may have an advantage with respect to cost and service. Our managed service revenue may be impacted in such cases.

***If we fail to innovate in response to rapidly evolving technological and market developments, including artificial intelligence and machine learning, our competitive position and business prospects may be harmed.***

Our future success depends, in part, on our ability to anticipate and respond effectively to the threat and opportunity presented by new technology disruption and developments. These may include new software applications or related services based on artificial intelligence, machine learning, or robotics. We may be exposed to competitive risks related to the adoption and application of new technologies by established market participants or new entrants, start-up companies and others. New technologies, including those based on artificial intelligence, can provide more immediate information technology and data management solutions and responses than traditional tools. Over time, the accuracy of these tools and their ability to handle complex tasks will improve, which may be disruptive to businesses, such as ours.

***Cyber security threats could damage our reputation or result in liability to us.***

Our businesses depend on the reliability and security of our information technology systems and infrastructure. They must remain secure and be perceived by our customers to be secure, as we retain confidential customer information in our database. Despite the implementation of security measures, our infrastructure may be vulnerable to physical break-ins, computer hacking, computer viruses, other malware, ransomware or cyber-attacks beyond our control. If our security measures are circumvented, it could jeopardize the security of confidential information stored on our systems, lead to misappropriation of proprietary information or cause interruptions to our operations. We may be required to make significant additional investments and efforts to protect against or remedy security breaches. Unauthorized disclosure of sensitive or confidential client and customer data, whether through breach of our computer systems, systems failure or otherwise, could damage our reputation and adversely affect our business and results of operations.

As we strive to provide the highest level of security, any breach of such security could be harmful to our brand and reputation. We may be required to expend significant capital and resources to protect against such threats or to alleviate problems caused by breaches in security. In addition, as we continue expanding our service offerings in managed cloud services, including direct private connection to major cloud platforms and the provision of cloud infrastructure, we will face greater risks from potential attacks because the provision of cloud-related services will increase the flow of Internet user data through the Data Center facilities we operate and create broader public access to our system. As techniques used to breach security change frequently and are often not recognized until launched against a target, we may not be able to implement new security measures in a timely manner or, if and when implemented, we may not be certain whether these measures could be circumvented. Any breaches that may occur could expose us to increased risk of lawsuits, regulatory penalties, loss of existing or potential customers, harm to our reputation and increases in our security costs, which could have a material adverse effect on our financial condition and results of operations.

Though we have not had any attempted cybersecurity breaches reported, the security services that we offer in connection with our business customers' networks cannot assure complete protection from computer viruses, break-ins and other disruptive problems and the occurrence of these problems could result in claims against us or liability on our part. These claims, regardless of their ultimate outcome, could result in costly litigation and could damage our reputation and hinder our ability to attract and retain customers for our service offerings. In addition, any assertions of alleged security breaches or systems failure made against us, whether true or not, could harm our reputation, cause us to incur substantial legal fees and have a material adverse effect on our business, reputation, financial condition and results of operations.

***We face a competitive labor market for skilled personnel and therefore are highly dependent on our existing key personnel and on our ability to hire additional skilled employees.***

Our success depends upon the continued service of our key personnel including our senior management team, which includes our CEO, Chairman and Managing Director, Mr. Raju Vegesna. Each of our employees may voluntarily terminate his or her employment with us. Our success also depends on our ability to attract and retain highly qualified technical, marketing and sales personnel. The labor market for skilled employees in India is extremely competitive, and the process of hiring employees with the necessary skills is time consuming and requires significant resources. We may not be able to retain or integrate existing personnel or identify and hire additional personnel in the future. The loss of the services of key personnel or the inability to attract additional qualified personnel could disrupt the implementation of our business strategy, upon which the success of our business depends.

***The failure to keep our technical knowledge confidential could erode our competitive advantage.***

Our technical knowledge is not protected by intellectual property rights such as patents and is principally protected by maintaining its confidentiality. We rely on trade secrets, confidentiality agreements and other contractual arrangements. As a result, we cannot be certain that our know-how will remain confidential in the long run. Employment contracts with certain of our employees who have special technical knowledge about our products or our business contain a general obligation to keep all such knowledge confidential. In addition to the confidentiality provisions, these employment agreements typically contain non-competition clauses.

If any of the confidentiality provisions or the non-competition clauses are unenforceable, we may not be able to maintain the confidentiality of our knowledge. In the event that confidential technical information or knowledge about our products or business becomes available to third parties or to the public, our competitive advantage over other companies in the wireless based IP/VPN industry could be harmed which could have an adverse material effect on our current business, future prospects, financial condition and results of operations.

***We may not be able to retain and acquire new clients for our data centers. Any inability to retain and acquire clients may materially and adversely affect our business, future prospects and financial performance.***

The global data center industry is experiencing unprecedented growth, driven by the exponential demand for digital services, cloud computing, and artificial intelligence (“AI”), and the data center industry in India is among the fastest growing by capacity in the Asia-Pacific region. Significant expansion of the data center industry in India is driven by, among other factors, rapid digital transformation and surging demand for cloud services, big data, AI and Internet-of-things (“IoT”), and GOI initiatives. All of these factors have increased the competition in the data center industry. In order to improve our competitiveness, we continue to expand our data center infrastructure to be capable of supporting AI-related workloads. However, if competitors are more successful than we are in the market, it could be difficult for us to retain and/or acquire clients.

In addition, increased competition in the data center space in India puts pressures on data center companies to offer lower prices to attract new clients and retain existing clients. If our competitors are able to offer lower prices than ours, we may lose clients or be unable to attract new clients, which would have a material adverse impact on our business and results of operations.

Furthermore, if we are not able to provide sufficient rack space as and when required by our clients, or we face capacity restrictions at our data centers, our existing clients may prefer to shift to our competitors, or we may be unable to acquire new clients. We have, in the past, experienced instances of rack unavailability and capacity limitations, which have resulted in us being unable to accommodate requested client demand. Moreover, if our clients cease using our services and choose another service provider, we may be required to expend substantial efforts in terms of cost and time to re-acquire such clients, and despite spending on such client acquisition or retention, we may be unsuccessful in retaining such clients.

***Technological changes, evolving client requirements and emerging industry trends may affect our business, may render our current technologies obsolete and may require us to make substantial capital investments. If we are unable to adapt in a timely manner to changing market conditions, evolving client requirements or technological changes, our business, financial condition and results of operations could be materially and adversely affected.***

The data center sector is highly dependent on technology and, as a result, the possibility of technological obsolescence is greater than companies in more conventional industries. In addition, the data center landscape is rapidly evolving, driven by emerging trends such as AI-powered infrastructure, the expansion of edge computing, and a growing focus on sustainability. Increasing demand for real-time data processing, enhanced security, and energy-efficient operations are reshaping how data centers are designed, operated, and scaled. Therefore, our future success depends, in part, on our ability to respond to technological advances, evolving client requirements and emerging industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails technical and business risk and significant implementation costs. Our management and design and engineering teams keep themselves abreast with the latest developments in the data center design and technology. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to evolving client requirements or emerging industry standards.

The infrastructure at our data centers may become obsolete or unmarketable due to demand for new processes and/or technologies, including, without limitation: (i) new processes to deliver power to, or eliminate heat from, computer systems; (ii) client demand for additional redundancy capacity; (iii) new technology that permits higher levels of critical load and heat removal than our data centers are currently designed to provide; and (iv) an inability of the power supply to support new, updated or upgraded technology. For example, as cooling systems account for a majority of the power consumption a data center incurs, advanced cooling technologies and efficient thermal management are critical to ensuring optimal performance and reduced energy waste. While we maintain appropriate and advanced cooling technologies at our data centers, we may not be able to continually update our cooling systems to keep up with the latest technological developments. If we fail to update the cooling technologies at our data centers as efficient new technologies emerge, we may be required to use additional power to achieve the thermal efficiency required for our operations, which could have an adverse impact on our profitability. In addition, the systems that connect our data centers to the Internet and other external networks may become outdated, including with respect to latency, reliability and diversity of connectivity. When clients demand new processes or technologies, we may not be able to upgrade our data centers in a cost-effective manner, or at all, due to, among other things, increased expenses to us that cannot be passed on to clients or insufficient revenue to fund the necessary capital expenditures. While our business has not been impacted by obsolescence of our technologies and infrastructure, we cannot assure you that we will not experience such obsolescence in the future. Changes in technology may make newer solutions more competitive than ours or may require us to make additional capital expenditure to upgrade our facilities and technology. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, evolving client requirements or technological changes, our business, financial condition and results of operations could be materially and adversely affected.

Should our power and cooling systems become obsolete in the future, or we be unable to upgrade them or our data centers, including associated connectivity, our business and financial condition could be materially adversely affected.

***If demand for data center solutions in India, in particular demand for AI workloads and IoT applications, does not continue to grow as anticipated, our business, profitability and results of operations could be materially adversely affected.***

We design our data centers to support a wide range of workloads for our clients. Edge data centers are equipped to serve clients that require real-time processing of data, such as over-the-top (“OTT”) players, smart cities, IoT and industrial automation clients, among others, and offer the flexibility to adapt to AI- and IoT-driven shifts to meet the growing demands of Edge computing. Our business growth and profitability therefore depend on sustained ongoing growth in demand for AI-ready workloads and IoT applications in India. If demand for AI workloads or IoT applications does not grow in line with market expectations, or the Internet ecosystem in India develops slower than we estimate, actual demand for data center solutions may be substantially lower than we anticipate, which might have a material adverse impact on our business, profitability and results of operations.

***The data center business is capital-intensive, and our expectation for our capacity to generate capital in the short term may be insufficient to meet our anticipated capital requirements.***

The costs of building, developing and operating data centers are substantial, and such costs have increased in recent years. We are required to fund the costs of building, developing and operating our data centers with cash retained from operations, as well as from financings from bank and other borrowings.

We may face challenges in accessing capital or raising sufficient debt to fund our expansion or to meet our clients’ expansion requirements in the future. Such challenges may be exacerbated as the costs of building, developing and operating data centers may continue to increase in the future. Further, we may encounter development delays, excess development costs, or delays in developing space for our clients to co-locate. We also may not be able to identify suitable land or facilities for new data centers in strategic locations, in our target areas, or at a cost or terms acceptable to us. If we cannot generate sufficient capital to meet our anticipated capital requirements or are unable to develop and operate our data centers profitably, our financial condition, business expansion and future prospects could be materially affected.

***Our operations are subject to extensive regulations, which require us to obtain, renew and comply with the terms of various approvals, licenses and permits. Delays or a failure to obtain such licenses and permits will adversely affect our operations and may have an impact on our cash flows.***

The development and operation of data centers in India is subject to a broad range of central and state laws and regulations, including those relating to environmental protection, health and safety, information technology, data protection and cyber security. These laws require us to obtain, maintain and comply with a large number of approvals, licenses, registrations and permits at different stages of development and operation of data centers.

While we apply for such approvals in the ordinary course, the timing of their grant is not within our control and may be affected by administrative factors, including judicial directions which may adversely impact functioning of appraisal committees and consequently delay in issuance of such approvals. We cannot assure you that such approvals will be granted in the expected timeframe, or that the authorities will not impose additional conditions, requirements or, if they consider us to have been non-compliant, remedial directions or penalties in connection with their grant.

Similarly, there can be no assurance that approvals, licenses, registrations and permits issued to us will not be suspended or revoked for non-compliance or alleged non-compliance with their terms or conditions, or pursuant to any regulatory action. Our approvals and licenses are subject to numerous conditions, some of which are onerous and require us to incur substantial expenditure. Any failure to obtain, maintain or comply with such approvals, or any suspension or revocation thereof, could adversely affect our business, prospects, reputation, financial condition, results of operations and cash flows.

In addition, in certain of our data centers the obligation to apply for and maintain statutory and regulatory approvals rests with the principal lessor or sub-lessor, and not with us as the lessee or sub-lessee. For instance, in terms of the lease deeds underlying our Vashi Data Center, our Company is only obliged to obtain permissions, sanctions or licenses necessary for the conduct of trade. If the principal lessor or sub-lessor fails to obtain or renew such approvals in a timely manner, our operations may be rendered non-compliant, which could subject us to penalties and adversely affect our business, results of operations and cash flows. Further, certain approvals in relation to our data centers are in the name of the principal lessor or sub-lessor, and not in our Company’s name.

If our operations are found to be not in compliance of these regulations, we may be required to incur costs to control and remedy such non-compliance, may be subject to legal liabilities including damages and penalties, and may suffer loss of approvals and damage to our reputation, which could impair our ability to retain existing customers and win new business. In the future, changes in law or policy may result in stricter regulation and increase our compliance costs, and we may not be able to pass such costs on to our customers.

***Our increasing work with governmental agencies may expose us to additional risks.***

We are increasingly bidding to work with governments and governmental agencies. Projects involving governments or governmental agencies carry various risks inherent in the government contracting process, including the following:

- Such projects may be subject to a higher risk of reduction in scope or termination than other contracts due to political and economic factors such as changes in government, pending elections or the reduction in, or absence of, adequate funding;
- Terms and conditions of government contracts tend to be more onerous than other contracts and may include, among other things, extensive rights of audit, more punitive service level penalties and other restrictive covenants. Also, the terms of such contracts are often subject to change due to political and economic factors;
- All Government bids are subject to a performance bank guarantee depending upon the size of the tender. Any shortfall in service, or inability to deliver the committed SLA during the project may force the government to invoke the performance bank guarantee leading to huge cash losses;
- Government contracts are often subject to more extensive scrutiny and publicity than other contracts. Any negative publicity related to such contracts, regardless of the accuracy of such publicity, may adversely affect our business or reputation;
- Participation in government contracts could subject us to stricter regulatory requirements, which may increase our cost of compliance; and
- Such projects may involve multiple parties in the delivery of services and require greater project management efforts on our part. Any failure in this regard may adversely impact our performance.
- In addition, we operate within jurisdictions in which local business practices may be inconsistent with international regulatory requirements, including anti-corruption and anti-bribery regulations prescribed under the U.S. Foreign Corrupt Practices Act (“FCPA”), which, among other things, prohibits giving or offering to give anything of value with the intent to influence the awarding of government contracts. Also, the Prevention of Corruption (Amendment) Act 2013 (the “PCA”) prohibits giving any bribe to a public servant. Although we believe that we have adequate policies and enforcement mechanisms to ensure legal and regulatory compliance with the FCPA, the PCA and other similar regulations, it is possible that some of our employees, subcontractors, agents or partners could violate any such legal and regulatory requirements, which may expose us to criminal or civil enforcement actions, including penalties. If we fail to comply with legal and regulatory requirements, our business and reputation may be harmed.

Any of the above factors could have a material and adverse effect on our business or our results of operations.

***Geopolitical risk stemming from political instability and military hostilities and related supply chain issues may have a significant effect on our business and operating results.***

The uncertain nature, magnitude and duration of political instability and military hostilities, including the recent conflict in Israel with Hamas and the Russia-Ukraine war could lead to significant disruptions in the global economy.

Russia’s invasion of Ukraine has caused numerous adverse effects, including businesses pulling out of Russia, Russia stopping trade with many countries, a negative effect on the workforce in Ukraine, and decreases in major exports to and from Ukraine, all of which have had a significant negative impact on the global supply chain of various commodities.

In early May 2025, India carried out retaliatory strikes against targets that included suspected terrorist camps in neighboring Pakistan and in Kashmir, in response to terrorist attacks carried out in Pahalgam in April of 2025. This was followed by further escalation of hostilities between the two countries. While a ceasefire between the two nations was declared on May 10, 2025, the conflict could restart and escalate, and could significantly affect our business and operating results.

In late February 2026, the United States and Israel launched Operation Epic Fury, a massive aerial and missile campaign targeting Iranian military infrastructure and leadership. This conflict may lead to a prolonged state of high-intensity regional instability.

The full economic effect of these events cannot be estimated with certainty, but this may impact businesses across the globe both in the short term and the long term with rising commodity prices and demand, rising interest costs to counter inflationary conditions and loss in value of currencies. There could also be related cybersecurity threats, economic impact on availability of fuel & natural gas supplies, increase in import prices of fuel & natural gas and sanctions between countries due to the position taken by the GOI, any of which could affect our business and operating results significantly.

*As a foreign private issuer, our Company is permitted to follow certain home country corporate governance practices in lieu of certain requirements applicable to U.S. issuers. This may afford less protection to holders of our Company's equity shares and ADSs.*

We are considered a foreign private issuer under the U.S. Securities Exchange Act of 1934 (the "Exchange Act") and, therefore, are exempt from certain rules under the Exchange Act, including the proxy rules, which impose certain disclosure and procedural requirements for proxy solicitations for U.S. and other issuers. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or within the same time frames as U.S. companies with securities registered under the Exchange Act. We currently prepare our financial statements in accordance with IFRS. We will not be required to file financial statements prepared in accordance with or reconciled to U.S. GAAP so long as our financial statements are prepared in accordance with IFRS as issued in English by the IASB. We are not required to comply with Regulation FD under the Exchange Act, which imposes restrictions on the selective disclosure of material information to shareholders. In addition, our officers, directors, and principal shareholders are exempt from the short-swing profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of our securities. Furthermore, we are permitted to follow certain home country corporate governance practices in lieu of certain NASDAQ requirements. A foreign private issuer must disclose in its annual reports filed with the SEC each NASDAQ requirement applicable to U.S. domestic issuers with which it does not comply followed by a description of its applicable home country practice.

We could lose our status as a foreign private issuer under current SEC rules and regulations if more than 50% of our outstanding voting securities become directly or indirectly held of record by U.S. holders and one of the following is true: (i) the majority of our directors or executive officers are U.S. citizens or residents; (ii) more than 50% of our assets are located in the U.S.; or (iii) our business is administered principally in the U.S. If we lose our status as a foreign private issuer in the future, we will no longer be exempt from the rules described above and, among other things, will be required to file periodic reports and annual and quarterly financial statements as if we were a company incorporated in the U.S. If this were to happen, we would likely incur substantial costs in fulfilling these additional regulatory requirements, and members of our management would likely have to divert time and resources from other responsibilities to ensuring these additional regulatory requirements are fulfilled.

### **Risks Related to Regulation and Compliance**

*We may encounter litigation and penalties due to non-compliance with relevant laws applicable to the products sold and services rendered by us.*

The products and services that we deal with are subject to various laws. We are exposed to risks relating to non-compliance with such laws which may affect our reputation and also result in litigations and penalties which may adversely affect our business and results of operations.

In exercise of the powers conferred by the ITA, the GOI issued rules in April 2011 called Information Technology rules with stringent privacy norms for Internet Service Providers and any intermediary that is handling sensitive personal information. The ITA has mandated the service providers to maintain transactions, receipts and vouchers in specific formats provided by the appropriate government authority. The records must be produced for inspection and audit by a government nominated agency or person. The GOI is authorized to audit security and privacy protection measures. We are exposed to risks relating to unauthorized access and non-compliance of regulations by our business partners. Such events may negatively affect our reputation, and violations of the Information Act may result in fines and litigation or cause us to incur legal costs, which may adversely affect our business and results of operations.

Additionally, we have been granted a license as a Certifying Authority ("CA") to issue digital signature certificates for electronic authentication of users. CAs are governed by the Controller of Certifying Authority under the ITA, which prescribes duties to be followed, standards to be maintained and a list of documents to be maintained by CA. The guidelines also require the Company to bill the end customer to whom the digital signature certificate is sold. Any actual or perceived failure to comply with such obligations could harm our business.

Non-compliance with such laws, rules and regulations may result in fines and litigation or cause us to incur legal costs, which may adversely affect our business and results of operations.

***We may not be able to comply with direct and indirect tax laws, which could result in litigation and penalties.***

Tightening of regulatory frameworks, new legislative changes and heightened enforcement activity by tax departments across the world have increased the salience of our tax risk. From a business standpoint, income tax remains the most important tax for us because of its impact on net income. Unpredictable rulings and interpretations by tax authorities with respect to income tax create tax risks. In India, changes in taxation laws are announced on an annual basis in February, when the Union Budget is presented. These changes in law may affect the accuracy of our estimated tax obligations, or the obligations of holders of our equity shares and ADSs. Significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities. We are regularly under audit by tax authorities and those authorities may not agree with positions taken by us on our tax returns. Although we believe that our estimates are reasonable, there is no assurance that the final determination of tax audits or tax disputes will not be different from what is reflected in our historical income tax provisions and accruals. We are also exposed to risks of non-compliance with the requirement of law which may affect our reputation and also result in litigations and penalties which may adversely affect our business and results of operations.

Any of the above could have a material adverse effect on our business and future results. Additionally, due to the complexity of the fiscal environment, the ultimate resolution of any tax matters may result in payments greater or lesser than amounts accrued.

The General Anti Avoidance Rules (“GAAR”) provisions regarding the Organization for Economic Co-operation and Development’s (“OECD”)’s Base Erosion and Profit Shifting Project have been applicable in India since 2018. Pursuant to GAAR, an arrangement in which the main purpose, or one of the main purposes, is to obtain a tax benefit, may be declared as an “impermissible avoidance arrangement” if it also satisfies at least one of the following four tests:

- The arrangement creates rights and obligations, which are not normally created between parties dealing at arm’s length.
- It results in misuse or abuse of provisions of tax laws.
- It lacks commercial substance or is deemed to lack commercial substance.
- It is carried out in a manner which is normally not employed for a bona fide purpose.

If any of our transactions are found to be impermissible avoidance arrangements under GAAR, our business, financial condition and results of operations may be adversely affected.

The tax withholding rate on payment made to non-residents towards “royalty” and/or “fees for technical services” is 10%, subject to the furnishing of an Indian Permanent Account Number by such non-residents. However, a lower rate may apply if a Double Taxation Avoidance Agreement exists between two countries. Further, based on a Indian Supreme Court ruling, payment to non-residents for purchase of software was held to be not taxable as royalty subject to such payments not being characterized as royalty under the Double Taxation Avoidance Agreement. Such payments will not be liable for withholding of tax subject to furnishing of relevant tax documents by such non-residents. As we procure various software licenses and technical services from non-residents in the course of delivering our products and services to our clients, the cost of withholding tax on such purchase of software and services may be additional cost to us as the Company may have to gross up for such withholding taxes.

The Government rolled out the Goods and Service Tax Law (the “GST Law”) on July 1, 2017. The GST Law subsumed several central, state and local tax laws, including the excise duty, service tax, value added tax, central sales tax, entry tax, etc. The GST Law prescribes compliance procedures which are more comprehensive than prior tax laws. The GST Law allows credit to companies based on the invoices uploaded by the vendors in their tax returns. Hence, tax credits will be available to the Company based on proper compliance by all vendors and filing of returns on time. Any failure to comply with the requirement of law by the vendor may impact availability of tax credits to the Company. This affects our working capital to a large extent resulting in excess amounts of cash available as balance with statutory authorities on which we do not earn any interest. We are also exposed to risks of non-compliance with the requirement of law which may affect our reputation and also result in litigations and penalties which may adversely affect our business and results of operations.

***We may not be able to comply with MSME Regulations, which could result in litigation and penalties.***

We are subject to stringent laws and regulations governing our relationships with Micro, Small, and Medium Enterprises (“MSMEs”). For instance, under regulations like the MSMED Act, 2006 (and similar regional prompt-payment legislations), companies are legally mandated to make payments to registered MSME suppliers within a strict statutory timeline (typically 45 days if there is a written agreement, or 15 days in the absence of one).

Our failure to strictly adhere to these payment timelines, reporting disclosures, or registration verification requirements could result in litigation and penalties which will materially and adversely affect our financial conditions.

***Changes in the policies of the GOI or political instability may adversely affect economic conditions in India generally, which could impact our business and prospects.***

The GOI could change specific laws and policies affecting technology companies, foreign investment, currency exchange and other matters affecting investment in our securities which could adversely affect business and economic conditions in India generally, and our business in particular. We are dependent on the Reserve Bank of India (the “RBI”) to pay all our foreign exchange expenses and dividends. Any exchange controls regime impacting the ability to remit monies will severely impact our ability to deliver services and dividends. The GOI has asserted that it would adopt a data center policy for the country which could provide certain incentives to data center providers. We may not be eligible for such benefits as an existing data center provider. Even if we are eligible, the sustainability of such benefits depends on the policies of GOI, and any changes in such policies could adversely affect our business.

***The legal system in India does not protect intellectual property rights to the same extent as the legal system of the United States, and we may be unsuccessful in protecting our intellectual property rights.***

Our intellectual property rights are important to our business. We rely on a combination of copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property.

Our efforts to protect our intellectual property may not be adequate. We hold no patents, and our competitors may independently develop similar technology or duplicate our services. Unauthorized parties may infringe upon or misappropriate our services or proprietary information. In addition, the laws of India do not protect proprietary rights to the same extent as laws in the United States, and the global nature of the Internet makes it difficult to control the ultimate destination of our services. For example, the legal processes to protect service marks in India are not as effective as those in place in the United States. The misappropriation or duplication of our intellectual property could disrupt our ongoing business, distract our management and employees, reduce our revenues and increase our expenses. In the future, litigation may be necessary to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time-consuming and costly.

We could be subject to intellectual property infringement claims as the number of our competitors grows and the content and functionality of our websites or other service offerings overlap with competitive offerings. Our defenses against these claims, even if not meritorious, could be expensive and divert management's attention from operating our Company. If we become liable to third parties for infringing their intellectual property rights, we could be required to pay a substantial award as damage and forced to develop non-infringing technology, obtain a license or cease selling the applications that contain the infringing technology. We may be unable to develop non-infringing technology or even obtain a license on commercially reasonable terms.

We also rely on a variety of technologies that are licensed from third parties. We use software developed by these and other companies to perform key functions. These third-party licenses may not be available to us on commercially reasonable terms in the future. The loss of any of these licenses could delay the introduction of software enhancements, interactive tools and other features until equivalent technology could be licensed or developed. Any such delays could materially adversely affect our business, results of operations and financial condition.

***We are subject to data privacy and security laws and regulations in many different jurisdictions and countries where we do business, and our or our partners' failure to comply could result in fines, penalties, or reputational damage, and could impact the way we operate our business.***

We are subject to laws and regulations governing the collection, use and transmission of personal data. As the legislative and regulatory landscape for data privacy and protection continues to evolve around the world, there has been an increasing focus on privacy and data protection issues that may affect our business. The Digital Personal Data Protection Act, 2023 ("DPDP Act"), together with the DPDP Rules, 2025 (notified on November 14, 2025), has now come into full effect. The DPDP Act and Rules are applicable to all data fiduciaries who process digital personal data, where such personal data is capable of identifying the individual, is either collected in digital form or is digitized after it is collected non-digitally. The European Union's General Data Protection Regulation (GDPR), which became fully effective in May 2018, implemented stringent requirements on how a company may gather, retain, use and manage personal and sensitive data, as well as mandatory data breach notification requirements.

The European Union's General Data Protection Regulation (GDPR), which became fully effective in May 2018, implemented stringent requirements on how a company may gather, retain, use and manage personal and sensitive data, as well as mandatory data breach notification requirements.

Additionally, the California Consumer Privacy Act (the "CCPA") became effective on January 1, 2020, creating new individual privacy rights for California consumers and placing increased privacy and security obligations on entities handling personal data of consumers or households. The CCPA requires covered companies to provide new disclosures to California consumers, provides such consumers with new ways to opt-out of certain sales of personal information, and allows for a new cause of action for data breaches.

Other countries in which we do business have, or are developing, laws governing the collection, use and transfer of personal information that may affect our business or require us to adapt our technologies and organizational measures. Some countries, including India, are considering legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements.

In addition, a failure by us, or our third-party vendors, to comply with applicable data privacy and security laws could result in financial, legal, business, and reputational harm and may have a material adverse effect on the way we operate our business, our financial condition, results of operations and/or cash flows.

These data protection laws and similar initiatives could also increase the cost of developing, implementing or maintaining our information technology systems and require us to allocate more resources to compliance initiatives thereby increasing our costs, impacting operational efficiency and most importantly leading to reputational loss.

***Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and increases our costs of compliance.***

We are subject to a variety of laws, regulations and industry standards in India and in the United States. For example, India has witnessed sweeping changes to its corporate law regime over the past few years. And the changes introduced by the Indian Companies Act 2013 added complexity to our corporate compliance regime.

These laws, regulations, and standards govern numerous areas that are important to our business, including, but not limited to, privacy, information security, labor and employment, immigration, data protection, import and export practices, marketing and communication practices. Such laws, regulations and standards are subject to changes and evolving interpretations and applications, and it can be difficult to predict how they may be applied to our business and the way we conduct our operations, especially as we introduce new solutions and services and expand into new jurisdictions. Any perceived or actual breach of laws, regulations and standards could result in investigations, regulatory inquiries, litigation, fines, injunctions, negative customer sentiment, impairment of our existing or planned solutions and services, or otherwise negatively impact our business.

We are committed to maintaining high standards of corporate governance and public disclosure, and our efforts to comply with evolving laws, regulations and standards in this regard have resulted in, and are likely to continue to result in, increased general and administrative expenses and an increasing amount of time and attention of management in ensuring compliance-related activities. Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure create uncertainty for our compliance efforts and may result in added compliance costs.

In connection with this Annual Report, our management assessed our internal controls over financial reporting and determined that our internal controls were effective as of March 31, 2026. However, any deficiencies uncovered by these future management assessments or any inability of our auditors to issue an unqualified opinion regarding our internal control over financial reporting could harm our reputation and the price of our equity shares and ADSs.

We have our Environmental Social and Governance (ESG) goals built into our business and operations strategy voluntarily without any regulatory compliance requirement. We regularly update and monitor our progress in this regard. However, any mandatory guidelines on ESG reporting may have an impact on growth of the company as compliance may require investments or expenses that are not part of our ESG strategy.

***Changes in the market for director and officer liability insurance could make it more difficult and more expensive for us to obtain such coverage and thereby create financial and reputational risk for us and our directors and officers.***

It may become more expensive or more difficult for us to obtain director and officer liability insurance. Further, our Board members (our “Board”) and executive officers could face an increased risk of personal liability in connection with their performance of duties and our regulatory reporting obligations. As a result, we may face difficulties attracting and retaining qualified Board members and executive officers, which could harm our business. If we fail to comply with new or changed laws or regulations, our business and reputation may be harmed.

***We may inadvertently fail to comply with local laws of other countries in connection with the negotiation and execution of operational agreements.***

As part of our international business, we may negotiate with and enter into contracts with strategic partners, clients, suppliers, employees and other third parties in various countries. We may inadvertently fail to comply with their laws, which may result in lawsuits or penalties and could adversely affect our business or results of operations.

***We are subject to quality-of-service guidelines issued by the Telecom Regulatory Authority of India (the “TRAI”). Failure to comply with one or more applicable guidelines may expose us to fines/penalties.***

The TRAI has issued the following guidelines to the Internet Service Providers for improving the quality of service:

- All Internet Service Providers shall provide adequate information to subscribers regarding Internet/broadband services being offered and marketed by them.
- All Internet Service Providers shall provide information regarding contention ratios or the number of users competing for the same bandwidth, adopted by them to provide Internet/broadband service in their tariff plans submitted to TRAI, manual of practice, call centers and on their websites
- All Internet Service Providers shall publish the quarterly contention ratio for different Internet/broadband services on their website to help subscribers to make informed decisions.
- All Internet Service Providers must use the contention ratios better than specified ratios for different services to ensure sufficient bandwidth for providing good quality of service to their subscribers.

Fixing up a contention ratio may put standalone Internet Service Providers at a disadvantage as cost of delivery of Internet bandwidth may increase. Telecommunication companies offering similar internet services are tempted to offer significantly lower prices and incentives as they own the last mile. Also, by bundling telephony along with Internet, they can enhance their idle last mile. Under such circumstances, it will be very difficult for Internet Service Providers providing retail service to compete with big telecommunication companies which can offer broadband services by cross subsidizing with voice/other services.

In the event of our failure to comply with one or more of the above guidelines, we may expose ourselves to fines/penalties, which could adversely affect our results of operations.

***We may be liable to third parties for information retrieved from the Internet.***

We could become liable if confidential information is disclosed inappropriately on or through our websites. Others could also sue us for the content and services that are accessible from our websites through links to other websites or through content and materials that may be posted by our users in chat rooms or bulletin boards. The laws in India relating to the liability of companies which provide Internet services, like ours, for activities of their users, are still relatively unclear. Investigating and defending these claims is expensive, even if they do not result in liability. Allegations of impropriety, even if unfounded, could damage our reputation, disrupt our ongoing business, distract our management and employees, reduce our revenues and increase our expenses.

***We may face additional compliance procedures and litigation due to our internal reorganization.***

During the financial year 2020-2021, we performed an internal reorganization pursuant to which our business units were transferred from Sify Technologies Limited to subsidiaries, Sify Infinit Spaces Limited and Sify Digital Services Limited through a business transfer agreement. Tax liabilities may arise if there is any change in shareholding of Sify's subsidiaries within a period of eight years from April 1, 2020, the date of transfer of capital assets.

***We have in the past identified a material weakness in our internal control over financial reporting. If we are unable to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent or detect fraud. As a result, current and potential investors could lose confidence in our financial reporting, which could harm our business and have an adverse effect on our ADS price.***

For the year ended March 31, 2024, we identified a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be detected or prevented on a timely basis. Specifically, the material weakness identified related to the design and implementation of effective controls to ensure the appropriate application of IFRS for reporting and presentation of complex financial instruments, as further explained in the Explanatory Note in Amendment No. 1 to our Annual Report on Form 20-F for the fiscal year ended March 31, 2024.

To remediate the identified material weakness, the Company took actions to strengthen the specific controls whereby senior finance and accounting policy personnel perform an in-depth comprehensive review of classification and presentation of financial instruments including a review of disclosures and specific presentation evaluation to enforce operating effectiveness, and augment the IFRS expertise in our accounting team by imparting specific training in evaluation and presentation of financial instruments.

Though we have designed and implemented remediation measures in respect of this weakness and tested the effectiveness of remediation measures for the fiscal year ended March 31, 2026, if in the future we cannot continue to effectively and efficiently improve our controls and procedures, and if further material weaknesses occur, we may not be able to accurately report our financial results or prevent or detect fraud, which would likely cause investors to lose confidence in our reported financial and other information. This could lead to a decline in the trading price of our ADSs.

**Risks Related to our Equity Shares, ADSs and Trading Market**

***We may fail to meet the continued listing requirements of NASDAQ, which could cause our ADSs to be delisted.***

Pursuant to the listing requirements of NASDAQ, if a listed company's security price is below \$1.00 per share for 30 consecutive trading days, NASDAQ will notify the company that it is no longer in compliance with NASDAQ continued listing qualifications. If a company is not in compliance with the minimum bid price rule, the company will have 180 calendar days to regain compliance. If the company does not regain the compliance within the initial 180 days, the company may be eligible for an additional 180-day period as set forth in NASDAQ listing rule 5810(c)(3)(A). The company may regain compliance if the bid price of its ADSs closes at \$1.00 per ADS or more for a minimum of ten consecutive business days at any time during the cure period.

The Company has in the past on multiple occasions, most recently on July 19, 2024, received notices of non-compliance from the NASDAQ when the ADSs prices were below \$1.00 per share and was given 180 days to regain compliance. Although the Company regained compliance with the NASDAQ continued listing requirements in the past, we may not be able to meet the continued listing requirements of NASDAQ in the future. If we are unable to satisfy the NASDAQ criteria for maintaining our listing, our ADSs could be subject to delisting. As a consequence of any such delisting, our ADS holders would likely find it more difficult to dispose of or to obtain accurate quotations as to the prices of our securities, and there would likely be less liquidity in our stock. In the event of a delisting, we could face significant material adverse consequences including a limited availability of market quotations for our securities and a decreased ability to issue additional securities or obtain additional financing in the future.

***The interests of our significant shareholder, Mr. Raju Vegesna, our CEO, Chairman and Managing Director, may differ from your interests.***

As of March 31, 2026, Mr. Raju Vegesna, our CEO, Managing Director and Chairman of the Board of Directors of the Company, beneficially owned approximately 83.78% of our outstanding equity shares and ADSs, and as a result, Mr. Raju Vegesna will be able to exercise control over many matters requiring approval by our Board of Directors and / or shareholders, including the election of directors and approval of significant corporate transactions, such as a sale of our Company. Under Indian law, a simple majority is sufficient to control all shareholder action except for those items that require approval by a special resolution. If a special resolution is required, the number of votes cast in favor of the resolution must not be less than three times the number of votes cast against it. Examples of actions that require a special resolution include:

- altering our Articles of Association;
- issuing additional shares of capital stock, except for pro rata issuances to existing shareholders;
- commencing any new line of business; and
- commencing a liquidation.

Circumstances may arise in which the interests of Mr. Raju Vegesna could conflict with the interests of our other shareholders or holders of our ADSs. Mr. Raju Vegesna, or the entities that he controls, could delay or prevent a change of control of our Company even if a transaction of that sort would be beneficial to our other shareholders, including the holders of our ADSs. This concentrated control will limit your ability to influence corporate matters and as a result, we may take actions that our ADS holders do not view as beneficial. As a result, the market price of our ADSs could be adversely affected.

***An investor in our ADSs may not be able to exercise pre-emptive rights for additional shares and may thereby suffer dilution of such investor's equity interest in us.***

Under the Indian Companies Act, a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless such pre-emptive rights have been waived by three-fourths of the shares voting on the resolution to waive such rights.

Holders of ADSs may be unable to exercise pre-emptive rights for equity shares underlying ADSs unless a registration statement under the U.S. Securities Act of 1933, as amended (the "Securities Act"), is effective with respect to such rights, or an exemption from the registration requirements of the Securities Act is available. To the extent that holders of ADSs are unable to exercise pre-emptive rights granted in respect of the equity shares represented by their ADSs, their proportional interests in us would be reduced.

***ADS holders may be restricted in their ability to exercise voting rights.***

Pursuant to the terms of the Deposit Agreement and at our request, the Depositary will mail holders of our ADSs any notice of shareholders' meeting received from us together with information explaining how to instruct the Depositary to exercise the voting rights of the securities represented by ADSs. If the Depositary receives voting instructions from a holder of our ADSs in time, relating to matters that have been forwarded to such holder, it will endeavor to vote the securities represented by such holder's ADSs in accordance with such voting instructions. However, the ability of the Depositary to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure you that the holders of our ADSs will receive voting materials in time to enable such holders to return voting instructions to the Depositary. Securities for which no voting instructions have been received will not be eligible to vote.

Under Indian law, subject to the presence in person at a shareholder meeting of persons holding equity shares representing a quorum, all resolutions proposed to be approved at that meeting are voted on by a show of hands unless shareholders present in person and holding (a) not less than one-tenth of the total voting power entitled to vote on a resolution or (b) shares with an aggregate paid-up capital of at least ₹ 500,000 demand that a poll be taken. Equity shares not represented in person at the meeting, including equity shares underlying ADSs for which a holder has provided voting instructions to the Depositary, are not counted in a vote by show of hands. As a result, only in the event that a shareholder present at the meeting demands that a poll be taken will the votes of ADS holders be counted. Securities for which no voting instructions have been received will not be voted on a poll. Accordingly, you may not be able to participate in all offerings, transactions or votes that are made available to holders of our equity shares.

As a foreign private issuer under the U.S. securities laws, we are not subject to the SEC's proxy rules, which regulate the form and content of solicitations by United States-based issuers of proxies from their shareholders. To date, our practice has been to provide advance notice to our ADS holders of all shareholder meetings and to solicit their vote on such matters through the Depositary, and we expect to continue this practice. The form of notice and proxy statement that we have been using does not include all of the information that would be provided under SEC's proxy rules.

***The market price of our ADSs has been and may continue to be highly volatile. Many factors could cause the market price of our ADSs to rise and fall. Some of these factors include:***

- perception of the level of political and economic stability in India;
- actual or anticipated variations in our quarterly operating results;
- announcement of technological innovations;
- conditions or trends in the ICT ecosystem;
- the competitive and pricing environment for network services in India and the related cost and availability of bandwidth;
- the perceived attractiveness of investment in Indian companies;
- acquisitions and alliances by us or others in the industry;
- changes in estimates of our performance or recommendations by financial analysts;
- market conditions in the industry and the economy as a whole;
- introduction of new services by us or our competitors;
- changes in the market valuations of other ICT companies or any of the companies in the ICT industry chain;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- our failure to integrate successfully our operations with those of any acquired companies;
- additions or departures of key personnel; and
- other events or factors, many of which are beyond our control.

The financial markets in the United States and other countries have experienced significant price and volume fluctuations, and the market prices of technology companies, particularly Internet-related companies, have been and continue to be extremely volatile with negative sentiment prevailing. Volatility in the price of our ADSs may be caused by factors outside of our control and may be unrelated or disproportionate to our operating results, which may adversely affect the value of your investment and the price of our ADSs.

***An active or liquid market for the ADSs is not assured.***

We cannot predict that an active, liquid public trading market for our ADSs will continue to exist. Although ADS holders are entitled to withdraw the equity shares underlying the ADSs from the Depositary at any time, there is no public market for our equity shares in India or the United States. The loss of liquidity could increase the price volatility of our ADSs.

***The future sales of securities by us or existing shareholders may reduce the price of our ADSs.***

Any significant sales of our equity shares or ADSs or the perception that such sales may occur might reduce the price of our ADSs and make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. We may issue additional equity shares to raise capital and to fund acquisitions and investments, and the parties to any such future transactions could also decide to sell them.

***We are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors which, together with the lack of a public market for our equity shares, may adversely impact the value of our ADSs.***

Currently, there is no public trading market for our equity shares in India or elsewhere nor can we assure you that we will take steps to develop one. Our equity securities are only traded on NASDAQ through the ADSs. Under prior Indian laws and regulations, our Depository could not accept deposits of outstanding equity shares and issue ADRs evidencing ADSs representing such equity shares without prior approval of the Government. The RBI has announced fungibility regulations permitting, under limited circumstances, the conversion of ADSs to equity shares and the reconversion of equity shares to ADSs provided that the actual number of ADSs outstanding after such reconversion is not greater than the original number of ADSs outstanding. If you elect to surrender your ADSs and receive equity shares, you will not be able to trade those equity shares on any securities market and under present law, likely will not be permitted to reconvert those equity shares to ADSs.

If in the future a market for our equity shares is established in India or another market outside of the United States, those shares may trade at a discount or premium to the ADSs. Under current Indian regulations and practice, the approval of the relevant Indian authorities is not required for the sale of unlisted equity shares underlying ADSs by a non-resident Indian to a resident of India as well as for renunciation of rights to a resident of India. Since exchange controls still exist in India, the price at which the equity shares are transferred will be based on the Indian exchange control laws, and a higher price per share may not be permitted. In certain cases, holders who seek to convert the rupee proceeds from a sale of equity shares in India into foreign currency and repatriate that foreign currency from India may have to obtain RBI approval for each transaction. A person resident outside India who has acquired a right from a person resident in India who has renounced it may acquire equity instruments (other than share warrants) against the said rights subject to pricing guidelines prescribed under the Indian exchange control laws and other applicable laws of India. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained.

***The reintroduction of the dividend distribution tax rate or introduction of new forms of taxes on distribution of profits or changes to the basis of application of these taxes could materially affect the returns to our shareholders.***

The Finance Act 2020 replaced the Dividend Distribution Tax with the classical system of dividend taxation wherein dividend income will be taxed in the hands of the shareholders at their respective applicable tax rates. In the light of these changes, a company paying dividends to shareholders is required to withhold tax at the applicable rates prescribed under Income Tax Act along with any relevant tax treaty with respective countries (together with MLI as applicable). If the effective rate of tax at source on dividends increases in future, or new forms of taxes on distribution of profits are introduced, the dividend amount receivable by our shareholders after taxes may decrease further.

***We may be required to list our equity shares/ debt instruments on an Indian stock exchange. Additionally, one of our subsidiaries has listed debt securities and may list its equity securities on an Indian Stock Exchange. If we were to list our equity shares/ debt instruments on an Indian stock exchange and due to the listing of our subsidiary on an Indian Stock Exchange, conditions in the Indian securities market may require compliance with new and changing regulations framed by Securities and Exchange Board of India (“SEBI”), listing requirements of the stock exchange, corporate governance, accounting and public disclosure requirements which might add uncertainty to our compliance policies and increase our costs of compliance.***

In 2006, the Ministry of Finance (the “MoF”), issued a statement providing that Indian companies cannot raise new capital abroad unless their securities are listed on a stock exchange in India. However, the MoF also issued a notification on October 21, 2014, which removed depository receipts from this scheme. Depository receipts are now regulated by the Depository Receipts Scheme 2014, which allows Indian companies, whether listed or unlisted, to access the international capital markets using depository receipts without requiring mandatory listing in India.

However, in the future, we may be required by the Government to list on an Indian stock exchange. If we were to list our equity shares on an Indian stock exchange, we would have to comply with changing laws, regulations and standards relating to accounting, corporate governance and public disclosure, including SEBI rules and regulations and stock exchange listing requirements which may create uncertainty for companies like ours.

SEBI introduced a framework for issuance of depository receipts by companies listed on a recognized stock exchange in India or proposing to make a public offer and list on a recognized stock exchange in India by its circular dated October 10, 2019 (the “Listed DR Framework”).

The Listed DR Framework sets out the eligibility requirements for the purpose of issue of depository receipts as: (a) the listed company, any of its promoters, promoter group or directors or selling shareholders are not debarred from accessing the capital market by SEBI; (b) any of the promoters or directors of the listed company is a promoter or director of any other company which is not debarred from accessing the capital market by SEBI; (c) the listed company or any of its promoters or directors is not a willful defaulter; (d) any of its promoters or directors is not a fugitive economic offender.

The Listed DR Framework requires the listed company to, through an intermediary, file with SEBI and the recognized stock exchange(s), a copy of the initial document, by whatever name called, for the initial issue of depositary receipts. Further, the listed company shall ensure that the agreement entered between the holder of depositary receipts, the listed company and the depositary provides that the voting rights on the underlying securities, if any, shall be exercised by the holder of depositary receipts through the foreign depositary pursuant to voting instruction only from such depositary receipt holder. The price of issue or transfer of underlying securities, for the purpose of issue of depositary receipts by foreign depositary, shall not be less than the price for the public offer / preferential allotment / qualified institutions placement to domestic investors under the applicable laws.

The compliance requirements under the Listed DR Framework are in addition to the requirements under the Companies Act, 2013 read with the Companies (Issue of Global Depositary Receipts) Rules, 2014, the Depositary Receipts Scheme 2014 and the foreign exchange regulations. While the Listed DR Framework circular is addressed to listed companies, the Company is not aware of any unlisted companies that have issued depositary receipts (including American depositary receipts) after the introduction of the Listed DR Framework in 2019. Therefore, there is no precedent which indicates the view that the securities regulator would take in relation to the issuance of depositary receipts by unlisted companies.

These new or changed laws, regulations and standards may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such governance standards. We may not be able to comply with any timeline for listing and other standards imposed on us, and we are uncertain as to the consequences to us of any non-compliance.

Additionally, Sify Infinit Spaces Limited (“SISL”), one of our subsidiaries has listed its Non-Convertible Debentures on the Bombay Stock Exchange (“BSE”). SISL may fail to comply with the requirements of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable to listed Non-Convertible Debentures which may increase our cost of compliance.

SISL also publicly filed a draft red herring prospectus dated October 16, 2025 on October 17, 2025 with the SEBI, BSE, and the National Stock Exchange of India Limited, in connection with its proposed initial public offering of SISL’s equity shares with face value ₹10 each (“Equity Shares”). SISL may fail to comply with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which may increase our cost of compliance.

***Currency fluctuations may affect the price of our ADSs and dividends.***

The exchange rate between the Indian rupees and the U.S. dollar has changed significantly in recent years and may continue to fluctuate substantially in the future. Such fluctuations in the exchange rate will affect the dollar conversion of any cash dividend paid in Indian rupees on the equity shares represented by the ADSs.

***Our dividend payment policy is contingent upon the Company’s profits each year.***

The dividend payment policy of the Company is not certain and is contingent upon the level of performance of the Company and the recommendation of the Board of Directors and the approval of the shareholders. Thus, there is no assurance that dividends will be paid in the future.

**Risks Related to Investments in Indian Companies**

We are incorporated in India, and a significant majority of our assets and employees are located in India. Consequently, our financial performance and the market price of our ADSs will be affected by changes in exchange rates, interest rates, GOI policies, including taxation policies, as well as political, social and economic developments affecting India.

***Changes in the policies of the Government could delay the further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our business and prospects.***

Since 1991, successive Government administrations have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The rate of economic liberalization could change, and specific laws and policies affecting technology and telecommunication companies, foreign investment, exchange rate regime and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally, and our business in particular.

***Regional conflicts, military activity, wars and terrorist attacks could adversely affect the Indian economy, disrupt our operations and cause our business to suffer.***

South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighboring countries, including between India and Pakistan. For example, in May 2025, India carried out retaliatory strikes against targets that included suspected terrorist camps in neighboring Pakistan and in Kashmir, in response to terrorist attacks carried out in Pahalgam in April 2025. This was followed by further escalation of hostilities between the two countries. While a ceasefire between the two nations was declared on May 10, 2025, the conflict could restart and escalate. Other terrorist attacks have occurred in the past, including the attacks of February 14, 2019 in Jammu Srinagar highway (Pulwama attack), the attacks of July 25, 2008 in Bangalore, the attacks of November 26 to 29, 2008 in Mumbai, the attack at the New Delhi High Court on September 7, 2011.

Conflict in the Middle East in 2026, among the United States and Israel and Iran could result in negative financial impacts, including threat of global recession, which could lead to increase in overall borrowing cost, cost of services, cost of capital investments. Additionally, supply chain and shipping disruptions, as well as foreign currency fluctuations, could lead to an increase in procurement cost by our vendors, resulting in an increase in the Company's price of input and capital investment.

Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Such attacks also have the potential to make travel more difficult, disrupt our ability to provide services to our clients and delay, postpone or cancel our clients' decisions to use our services, which could have a negative impact on our business, personnel, assets and results of operations.

This, in turn, could have a material adverse effect on the market for securities of Indian companies, including our equity shares and our ADSs, and the market for our services.

***The markets in which we operate are subject to the risk of earthquakes, floods and other natural disasters.***

Some of the regions that we operate in are prone to earthquakes, flooding and other natural disasters. In the event that any of our business centers are affected by any such disasters, we may sustain damage to our operations and properties, suffer significant financial losses and be unable to complete our client engagements in a timely manner, if at all. Further, in the event of a natural disaster, we may also incur costs in redeploying personnel and property. In addition, if there is a major earthquake, flood or other natural disaster in any of the locations in which a significant number of our customers are located, we face the risk that our customers may incur losses, or sustained business interruption and/or loss which may materially impair their ability to continue their purchase of products or services from us. A major earthquake, flood or other natural disaster in the markets in which we operate could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers, thereby reducing our margins.***

Inflation rates in India have been volatile in recent years and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of energy, wages, components, equipment and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

***It may be difficult for you to enforce any judgment obtained in the United States against us, our directors or executive officers or our affiliates.***

We are incorporated under the laws of India and many of our directors and executive officers reside outside the United States. A substantial portion of our assets and the assets of many of these persons are also located outside the United States. As a result, you may be unable to effect service of process upon us outside of India or upon such persons outside their jurisdiction of residence. In addition, you may be unable to enforce against us in courts outside of India, or against these persons outside the jurisdiction of their residence, judgments obtained in courts of the United States, including judgments predicated solely upon the federal securities laws of the United States.

In order to be enforceable in India, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the "CPC"). Further, the CPC only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a similar nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards. Judgments or decrees from jurisdictions not recognized as a reciprocating territory by India, cannot be enforced or executed in India. Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on the basis of civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be executable by an Indian court. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment by a court in the United States in the same manner as any other suit filed to enforce a civil liability in India. There are generally considerable delays in the disposition of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy and thereby in conflict with Indian law. Separately, RBI approval is required under the Foreign Exchange Management Act, 1999, to repatriate any amounts outside India as damages including pursuant to the execution of a judgment.

## Item 4. Information on the Company

### Company Overview

We are among the largest integrated information and communication technology (“ICT”) solutions and services companies in India, offering end-to-end solutions with a comprehensive range of products delivered over a common network infrastructure reaching more than 1700 cities and towns in India. This network also connects 77 data centers across India including Sify’s 14 concurrently maintainable data centers across the cities of Chennai, Mumbai, Delhi, Bengaluru, Hyderabad, Kolkata and customer data centers.

Our mission is to build a world in which our converged ICT ecosystem and our ‘bring it on’ attitude will bring a competitive advantage to our customers. Our three core values which are called ‘The Sify way’, are: (1) put customers’ needs first, (2) be accountable, and (3) trust the team.

Our primary geographic markets are India and the rest of the world. Our revenue is derived from providing services to enterprise customers, comprising (a) Network services, (b) Data Center services, and (c) Digital Services which represent our operating segments.

Our revenue for the current fiscal year grew by ₹ 4,991 million over the previous fiscal year, which represents an annualized growth rate of 13%. Loss before tax was ₹ 941 million for the current fiscal year as compared to Loss before tax of ₹ 286 million for the previous fiscal year. The increase in loss was due to an increase in interest cost and depreciation during the year.

### HISTORY AND DEVELOPMENT

We were incorporated on December 12, 1995 in Andhra Pradesh, India as Satyam Infoway Private Limited, as a company under the Indian Companies Act to develop and offer connectivity-based corporate services in India. Until December 2002, we were a majority-owned subsidiary of Satyam Computer Services Limited, an Indian information technology services company traded on the New York Stock Exchange and the principal Indian stock exchanges. The registered office of the company was shifted to Chennai, Tamil Nadu beginning April 1, 2003. We changed our name from Satyam Infoway Limited to Sify Limited in January 2003, and from Sify Limited to Sify Technologies Limited in October 2007.

We completed our initial public offering of ADSs in the United States in October 1999. We listed our ADSs on the NASDAQ Global Market on October 19, 1999. In February 2000, we completed our secondary offering of ADSs in the United States. On July 11, 2017, our ADS listing moved to the NASDAQ Capital Market.

Refer to Note 36 ‘Related Party Transactions’ in Item 18 of this Annual Report for the list of our subsidiaries

The address of our principal executive office is TIDEL Park, 2nd Floor, 4, Canal Bank Road, Taramani, Chennai 600 113 India, and our telephone number is 91-44-2254-0770. Our website address is [www.sifytechnologies.com](http://www.sifytechnologies.com), and the information contained in our website does not constitute a part of this Annual Report.

All of our publicly filed SEC reports are available at the SEC’s website, [www.sec.gov](http://www.sec.gov), which contains all the public filings and other information regarding registrants that make electronic filings with the SEC using its EDGAR system.

#### *Principal Capital Expenditures*

In fiscal years 2026, 2025, and 2024, we spent ₹ 11,956 million (US\$ 126.31 million), ₹ 11,094 million (US\$ 129.63 million), and ₹ 11,121 million (US\$ 133.39 million) respectively, on capital expenditures. Most of our capital expenditures are incurred in India where we are expanding our data centers and network to cater to the increasing demands for both services in the Indian market. As of March 31, 2026, we had contractual commitments of approximately ₹ 22,468 million (US \$ 237.37 million) for capital expenditures towards the acquisition of property, plant and equipment. These commitments included approximately ₹ 19,728 million (US \$ 208.43 million) in domestic purchases and ₹ 2,740 million (US \$ 28.95 million) in imports and overseas commitments. The total capital expenditure with respect to capital work in progress as of March 31, 2026 amounted to ₹ 7,587 million (US\$ 80.15 million). All our capital expenditures were financed out of cash generated from operations, borrowings / arrangements from banks and other financial institutions and other sources of equity.

## *Investment Strategy*

In evaluating investment opportunities, we consider important factors, such as strategic fit, competitive advantage and financial benefit.

### *FY 2021-2022*

On November 1, 2021, Sify Technologies Limited (“Sify”) and Sify Infinit Spaces Limited (“SISL”), a wholly owned subsidiary of Sify in the business of providing data center services and operating the Company’s data centers, entered into a Debentures Subscription Agreement (the “KSSF DSA”) with Kotak Special Situations Fund (“KSSF”) under which KSSF invested ₹ 4,000 million (USD 48.65 million) as of March 31, 2023.

Pursuant to the KSSF DSA, KSSF agreed to subscribe for two series of SISL’s compulsorily convertible secured debentures (“CCDs”). KSSF subscribed for 20,000,000 Series 1 CCDs, each with a face value of ₹ 100, for an aggregate subscription amount of ₹ 2,000 million to be paid at the time of receipt of the Series 1 CCDs. KSSF also subscribed for 20,000,000 Series 2 CCDs, each with a face value of ₹ 100, for an aggregate subscription amount of ₹ 2,000 million, of which 1% was to be paid at the time of receipt of the Series 2 CCDs, and the remainder was to be paid between October 1, 2022, and March 31, 2023. Under the KSSF DSA, SISL also had the option to require KSSF to subscribe for additional CCDs in one or more tranches before October 1, 2026, for an aggregate subscription amount of up to ₹ 6,000 million (USD 72.98 million) upon written notice provided prior to October 31, 2023. The Series 1 CCDs and Series 2 CCDs bear interest at a rate of 6% per annum and include customary financial and operating covenants. SISL used the proceeds from the CCD subscriptions for the expansion of new data centers, including land acquisition for data centers, investment in renewable energy for data centers and repayment of debt.

The Series 1 CCDs and Series 2 CCDs must be automatically converted into SISL equity shares, upon the earlier of: (i) October 1, 2031 without any act or application by KSSF; or (ii) the filing of a prospectus by SISL with the SEBI or for any alternate listing or the registrar of companies or any stock exchange in relation to an initial public offering of its equity shares; or (iii) at any time as required by KSSF prior to October 1, 2031, at a conversion ratio of 0.811243676 and 0.80779174, respectively. The KSSF DSA was filed with the Securities and Exchange Commission on November 2, 2021, under Form 6-K.

On November 1, 2021, SISL and Sify entered into a Put Option Agreement with KSSF (the “KSSF Put Option Agreement” (later amended and renamed the Sale Right Agreement, as discussed below)) in relation to the Series 1 CCDs and the Series 2 CCDs. Pursuant to the KSSF Put Option Agreement, KSSF can exercise its put option on or after October 1, 2027, upon which Sify would be obligated to purchase from KSSF all of its SISL CCDs. The put option can also be exercised by KSSF upon the occurrence of any of the following events: (a) an event of default under the KSSF DSA; or (b) if SISL fails to provide exit to KSSF by way of a qualified IPO or alternate listing by October 31, 2029 (each such term as defined in the KSSF DSA); or (c) breach by Sify of any of its obligations or covenants under the KSSF Put Option Agreement. The KSSF Put Option Agreement was filed with the Securities and Exchange Commission on November 2, 2021 under Form 6-K.

On July 20, 2023, SISL entered into an assignment letter with KSSF for the transfer of ₹ 6,000 million (US \$ 72.98 million) in CCDs acquired pursuant to the KSSF DSA to Kotak Data Centre Fund (“KDCF”).

During the fiscal year ended March 31, 2022, Sify made investments in (i) Tasoula Energy Pvt Ltd amounting to ₹ 225 million (US\$ 2.97 million) on August 16, 2021; (ii) Padvest Corporation amounting to ₹ 3.79 million (US\$ 0.05 million) on September 3, 2021; (iii) Digifresh Corporation amounting to ₹ 15.16 million (US\$ 0.20 million) on September 27, 2021; and (iv) The Gizmo App Company amounting to ₹ 13.50 million (US\$ 0.18 million) on December 13, 2021.

### *FY 2022-2023*

During the fiscal year ended March 31, 2023, Sify made investments in (i) Chatter Inc amounting to ₹ 12.40 million (US\$ 0.15 million) on June 29, 2022; (ii) VEH Srishti Energy Private Limited amounting to ₹ 375.30 million (US\$ 4.56 million) on October 21, 2022; (iii) Aizen Corp (formerly known as Elevo Corporation) amounting to ₹ 142.80 million (US\$ 1.74 million) on January 23, 2023; and (iv) Passerine Technologies Inc. amounting to ₹ 16.40 million (US\$ 0.20 million) on March 3, 2023.

On March 22, 2023, Sify acquired Patel Auto Engineering Company (India) Private Limited (“PAECIPL”) through a share purchase agreement, for consideration of ₹ 525 million (US\$ 6.32 million) paid to shareholders of PAECIPL. Sify also gave an intercorporate deposit of ₹ 85 million (US\$ 1.02 million) to PAECIPL. PAECIPL has on its books only the land allocated by Maharashtra Industrial Development Corporation as of the date of acquisition. Sify’s standalone financial statements account for the leasehold rights of such land.

The Board of Directors of SISL approved a scheme of amalgamation (the “Scheme”) for the merger with Print House (India) Private Limited (“PHIPL”). SISL submitted the Scheme to the National Company Law Tribunal (the “NCLT”) with the appointed date as April 1, 2022. SISL received approval for the Scheme from its shareholders and unsecured creditors at its meeting held on November 27, 2022 convened by the NCLT in Chennai. An amalgamation order was received from NCLT on July 10, 2023, subsequent to which SISL issued 0.0859762 equity shares for every 1 equity shares held by the shareholders of PHIPL.

#### *FY 2023-2024*

During the fiscal year ended March 31, 2024, Sify made investments in (i) Aizen Corp (formerly known as Elevo Corporation) amounting to ₹ 16.03 million (approximately US\$ 0.193 million) on April 10, 2023; (ii) Cloudfabrix Software Inc. amounting to ₹ 124.59 million (approximately US\$ 1.5 million) on September 22, 2023; and (iii) Sylvie Unlimited Inc. amounting to ₹ 12.51 million (approximately US\$ 0.15 million) on October 12, 2023.

On July 20, 2023, SISL and Sify entered into a Debentures Subscription Agreement with KDCF (the “KDCF” DSA), and KDCF invested ₹6,000 million (approximately US\$72.23 million) in the form of compulsorily convertible debentures of SISL. Pursuant to the KDCF DSA, KDCF agreed to subscribe for two series of SISL’s CCDs. KDCF subscribed for 48,000,000 Series 4 CCDs, each with a face value of ₹ 100, for an aggregate subscription amount of ₹ 4,800 million to be paid at the time of receipt of the Series 4 CCDs. KDCF also subscribed for 12,000,000 Series 5 CCDs, each with a face value of ₹ 100, for an aggregate subscription amount of ₹ 1,200 million to be paid at the time of receipt of the Series 5 CCDs. The Series 4 CCDs and Series 5 CCDs bear interest at a rate of 6% per annum and include customary financial and operating covenants. SISL used the proceeds from the CCD subscriptions for the expansion of new data centers, including land acquisition for data centers, investment in renewable energy for data centers and repayment of debt.

The Series 4 CCDs and Series 5 CCDs must be automatically converted into SISL equity shares, upon the earlier of: (i) March 31, 2033, without any act or application by KDCF; or (ii) the filing by SISL of a prospectus with the Securities Exchange Board of India or any stock exchange in relation to an initial public offering of the equity shares of SISL or for any alternate listing; or (iii) at any time as required by KDCF prior to March 31, 2033, at a conversion ratio of 0.543483 and 0.941651116, respectively. The KDCF DSA was filed with the Securities and Exchange Commission on July 21, 2023, under Form 6-K.

The CCDs issued pursuant to the KDCF DSA are not subject to a put option agreement.

On September 1, 2023, Sify acquired SKVR Software Solution Private Limited (“SKVR”), an IT & ITeS company, through a share purchase agreement. Pursuant to the share purchase agreement, shareholders of SKVR received ₹400 million with 51% and 49% of the purchase price paid by Sify Technologies Limited and SISL, respectively. SKVR holds 19,305 square meters of land allotted by the New Okhla Industrial Development Authority (“NOIDA”) for a period of 90 years beginning 2006.

On February 9, 2024, a Scheme of Amalgamation of PAECIPL with SISL was filed with the NCLT.

*FY 2024-2025:*

In 2024, the Company issued an aggregate of 190,268,698 equity shares and 59,730,265 ADSs (each representing one equity share) pursuant to its the rights offering, raising gross proceeds of approximately \$30 million before expenses of the offering. Following the issuance of the new equity shares and ADSs, the Company had 433,331,423 equity shares including equity shares represented by ADSs which included 13,262,908 ADSs, issued as part of an over-subscription right. The net proceeds of the rights offering were used for expansion of the business for developing Network Centric Services, Data Center services, Digital Services and for general corporate purposes.

On July 27, 2024, the scheme of amalgamation between PAECIPL and SISL was approved by their creditors, in a meeting held as per the order of the NCLT. The scheme of amalgamation was approved by the NCLT on January 9, 2025.

On July 19, 2024, the Company received a letter from the Listing Qualifications Department of the NASDAQ indicating that, based upon the closing bid price of the Company's ADSs for the last 31 consecutive business days, the Company did not meet the minimum bid price of \$1.00 per share required for continued listing on the NASDAQ Capital Market. In order to regain compliance with the NASDAQ listing standard, on October 1, 2024, the Company announced a change in its ADS to equity shares ratio from the current ratio of (1) ADS representing one (1) equity share, to a new ratio, where one (1) ADS represents six (6) equity shares (the "ADS Ratio Change"). The ADS Ratio Change became effective on October 4, 2024. There was no change to the Company's equity shares. Following the ratio change, the Company regained compliance with the NASDAQ bid price requirement.

SISL raised ₹ 2,500 million through the issue of non-convertible debentures, which were listed on the Bombay Stock Exchange on October 4, 2024. SISL has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The proceeds were utilized to repay existing debt relating to specific data centers.

On October 31, 2024, Kamal Nath retired from his position as Chief Executive Officer (India Operations) of Sify Technologies Limited. Mr. Nath continues to be a member of the Board of Directors of Sify Digital Services Limited.

On March 3, 2025, the Company made an investment in Sunsure Solar Park Eighteen Pvt. Ltd amounting to ₹ 9.97 million (approximately US\$ 0.12 million).

*FY 2025-2026:*

On May 15, 2025, Dr. Ajay Kumar resigned from the Board of Directors (the "Board") of Sify Technologies Limited with immediate effect. Dr. Kumar was an independent director, a member of the Board's audit committee, and Chairman of the Board's compensation/nomination and remuneration Committee. His resignation was not the result of any dispute or disagreement with the Company, its management, or the Board regarding the Company's operations, policies, or practices, but rather due to his assuming the position of Chairman, Union Public Service Commission pursuant to the order of the President of India.

On May 21, 2025, the Company notified NASDAQ of Dr. Kumar's resignation, and the resultant non-compliance with Nasdaq Listing Rule 5605(b)(1), requiring that the majority of the Board be composed of independent directors, and Nasdaq Listing Rule 5605(c)(2), requiring that there be at least three members of the Board's audit committee. The Company indicated its intent to rely on the cure periods in Nasdaq Listing Rules 5605(b)(1)(A) and 5605(c)(4)(B).

On June 5, 2025, the Company received a letter from the Listing Qualifications Department of NASDAQ indicating that, due to Dr. Kumar's resignation, the Company no longer complied with NASDAQ's independent director and audit committee requirements as set forth in Listing Rule 5605. In its letter, NASDAQ also indicated that, consistent with Listing Rules 5605(b)(1)(A) and 5605(c)(4), the Company would be provided with a cure period to regain compliance.

On June 20, 2025, the Board appointed Dr. Ram Sewak Sharma to the Board as an Independent Director, as a member of the audit committee of the Board, and as Chairman of the compensation/nomination and remuneration committee of the Board, to comply with the applicable NASDAQ rules. His appointment was subsequently approved by the shareholders at the Annual General Meeting of the Company held on August 14, 2025.

On July 8, 2025, the Company received a letter from the Listing Qualifications Department of NASDAQ notifying the Company that it had regained compliance with the continued listing requirements under Nasdaq Listing Rules 5605(b)(1) and 5605(c)(2).

Sify Technologies Limited appointed JPMorgan Chase Bank, N.A. (“JPMorgan”) as successor depository for the Company’s American Depositary Receipt (“ADR”) program, effective July 23, 2025. In connection with the appointment, the Company entered into an amended and restated deposit agreement with JPMorgan governing the ADR program (the “A&R Deposit Agreement”). A registration statement on Form F-6 relating to change of depository for the ADR program was filed with the U.S. Securities and Exchange Commission on July 10, 2025. The change in depository does not affect the underlying ordinary shares of the Company represented by the ADRs, and holders of outstanding ADRs are not required to take any action in connection with the appointment of JPMorgan as successor depository.

The A&R Deposit Agreement appoints JPMorgan as successor depository, replacing Citibank, N.A., amends the prior deposit agreement between the Company and Citibank, N.A. and the form of ADR; and provides for the creation and issuance to holders of American depository shares, evidenced by Direct Registration ADRs representing Sify’s equity shares deposited with JPMorgan’s custodian. Deposited equity shares are to be held by the custodian for the account and to the order of the depository for the benefit of holders of ADSs, and may be withdrawn by holders upon surrender of their ADSs. Surrendered ADRs and ADSs are to be cancelled/destroyed by the Depository.

On August 20, 2025, the Board of Sify Digital Services Limited appointed Som Prakash Satsangi to the Board as an Independent Director.

On September 25, 2025, SISL’s board of directors approved a potential initial public offering (“IPO”) of equity shares of SISL, having par value ₹ 10 each. SISL disclosed such approval and intention for an IPO with BSE Ltd., which made the information publicly available on its website.

On September 25, 2025, SISL, Sify and KSSF entered into a Waiver Cum Amendment Agreement to the KSSF DSA, pursuant to which: (i) the KSSF DSA’s provisions relating to KSSF’s CCD exit rights were amended to align with the structure of SISL’s proposed initial public offering and listing of its equity shares (the “IPO”); (ii) KSSF waived certain rights, including its preemptive rights for the issue of new securities (solely in relation to the shares issued as part of the IPO), its entitlement to provide input on SISL’s annual business plan, its rights under the KSSF DSA’s information covenants, its right to inspect SISL’s books and records, and its right to nominate an observer to SISL’s board of directors; and (iii) KSSF consented to SISL’s raising of capital by way of the IPO, aggregating up to INR 25,000 million (including a possible pre-offering placement of up to ₹ 5,000 million) and an offer for sale of equity shares by existing holders aggregating up to ₹ 12,000 million, as well as to related amendments to SISL’s Articles of Association and capital structure.

On September 25, 2025, SISL, Sify and KSSF entered into a Waiver Cum Amendment Agreement to the KSSF Put Option Agreement, pursuant to which: (i) the parties agreed to change the nomenclature of the KSSF Put Option Agreement (and all references therein) to the “Sale Right Agreement”; and (ii) Sify’s obligation to purchase the Series 1 CCDs and Series 2 CCDs upon KSSF’s exercise of its put option was deleted, solely in relation to the IPO.

On September 25, 2025, SISL, Sify and KDCF entered into a Waiver Cum Amendment Agreement to the KDCF DSA, pursuant to which: (i) the KDCF DSA’s provisions relating to KDCF’s CCD exit rights were amended to align with the structure of SISL’s proposed IPO; (ii) KDCF waived certain rights, including its preemptive rights for the issue of new securities (solely in relation to the shares issued as part of the IPO), its entitlement to provide input on SISL’s annual business plan, its rights under the KDCF DSA’s information covenants, its right to inspect SISL’s books and records, and its right to nominate an observer to SISL’s board of directors; and (iii) KDCF consented to SISL’s raising of capital by way of the IPO, aggregating up to INR 25,000 million (including a possible pre-offering placement of up to INR 5,000 million) and an offer for sale of equity shares by existing holders aggregating up to INR 12,000 million, as well as to related amendments to SISL’s Articles of Association and capital structure.

If SISL’s IPO proceeds and closes as contemplated, it is expected to constitute a “Qualified IPO,” as defined under the KSSF DSA, the KDCF DSA, and the Sale Right Agreement, each as amended. Pursuant to the “Qualified IPO,” all CCDs issued under the KSSF DSA and the KDCF DSA would be converted into equity shares and, consequently, result in the termination of the KSSF DSA, the KDCF DSA, and the KSSF Put Option Agreement.

SISL, one of our subsidiaries has instituted an employee share-based payment scheme titled the “SISL Employee Stock Option Plan 2025” (the "SISL ESOP 2025"), which was approved by its shareholders at the general meeting held on September 26, 2025, for granting up to 30 million options. Under the SISL ESOP 2025, eligible employees of SISL and Sify Technologies Limited may be granted options to acquire equity shares of SISL upon payment of the grant price. Each option is convertible into one equity share upon exercise. The options vest subject to continued employment and achievement of specified performance conditions, with 40% vesting after two years from the grant date and the remaining 60% vesting over the subsequent three years in equal half-yearly tranches. Vesting is linked to both individual performance and SISL performance parameters relating to capacity billed, revenue and EBIT. The options may be exercised upon occurrence of a liquidity event such as an initial public offering or strategic sale, in accordance with the terms of the SISL ESOP 2025. The options do not carry rights to dividend or voting prior to exercise.

On October 17, 2025, SISL - one of our subsidiaries, publicly filed a draft red herring prospectus with the Securities and Exchange Board of India, BSE Limited, and the National Stock Exchange of India Limited, in connection with its proposed IPO. The proposed IPO is expected to include a new issue of SISL equity shares aggregating up to ₹25,000 million and an offering of equity shares aggregating up to ₹12,000 million by certain existing and eligible shareholders of SISL. The IPO is subject to receipt of requisite regulatory approvals market conditions and other applicable considerations.

During the year ended March 31, 2026, Sify made investments in (i) Murli Solar Energy Private Limited amounting to ₹ 13.91 million (approximately US\$ 0.16 million) on April 21, 2025; (ii) Sunsure Solar Park Eighteen Private Limited amounting to ₹ 89.77 million (approximately US\$ 1.05 million) on May 14, 2025; (iii) Murli Solar Energy Private Limited amounting to ₹ 24.49 million (approximately US\$ 0.27 million) on November 25, 2025; and (iv) Murli Solar Energy Private Limited amounting to ₹ 10.18 million (approximately US\$ 0.11 million) on January 09, 2026.

On February 7, 2026, SISL’s board of directors approved the conversion of and allotment of previously issued compulsorily convertible secured debentures (“CCDs”) into equity shares of SISL. The conversion resulted in KSSF receiving a total of 32,380,709 equity shares of SISL, or approximately 5.36% of the total equity shares of SISL, and KDCF receiving a total of 37,386,997 equity shares of SISL, or approximately 6.19 % of the total equity shares of SISL. The resulting conversion leaves Sify as the majority holder of SISL, with 53,482,589 equity shares of SISL, or approximately 88.45% of the total equity shares of SISL.

As a result of the conversion, no CCDs under either the KSSF DSA or the KDCF DSA remain outstanding, and the KSSF DSA, the KDCF DSA, and the KSSF Put Option Agreement (as amended and renamed the “Sale Right Agreement”) have expired in accordance with their terms. The conversions were undertaken as part of SISL’s ongoing potential IPO and the listing of its equity shares on BSE Limited and National Stock Exchange of India Limited.

## **BUSINESS OVERVIEW**

### **Industry Overview**

In today’s fast-paced digital landscape, Information and Communication Technology (ICT) services play a crucial role in driving digital transformation across various sectors. Organizations are increasingly leveraging these services to enhance operational efficiency, improve customer experiences, and foster innovation. ICT services enable digital transformation, emphasizing the opportunities they create, the demand for skilled manpower, the breadth of appropriate tools, and the importance of sound infrastructure.

Opportunities. The advent of ICT has unlocked numerous opportunities for businesses and institutions, allowing them to adapt and thrive in the digital age. Key opportunities include:

- **Enhanced Efficiency:** Automation of routine tasks through ICT services reduces manual intervention, leading to increased productivity. For instance, cloud computing enables organizations to streamline their operations and access resources on-demand, minimizing downtime and operational costs.
- **Improved Customer Engagement:** Digital platforms facilitate real-time interaction with customers. Through social media, mobile applications, and chatbots, businesses can engage with their customers more effectively, tailoring their services to meet specific needs and preferences.
- **Data-Driven Decision Making:** ICT services enable organizations to gather, analyse, and interpret vast amounts of data. This data-centric approach empowers businesses to make informed decisions, predict market trends, and personalize offerings, ultimately driving revenue growth.
- **Global Reach:** With ICT services, companies can easily expand their operations beyond geographical boundaries. E-commerce platforms and digital marketing strategies allow businesses to reach a global audience, opening new markets and increasing their customer base.
- **Innovation and Agility:** ICT fosters a culture of innovation by providing tools and platforms for rapid prototyping and agile development. Organizations can quickly adapt to changing market conditions, launching new products and services faster than ever before.

**Skilled Manpower.** As organizations embark on their digital transformation journeys, the demand for skilled manpower has surged. The integration of ICT services requires professionals who can navigate the complexities of digital technologies. This demand manifests in several ways:

- **Specialized Skills:** Professionals with expertise in areas such as cloud computing, data analytics, cybersecurity, and artificial intelligence are increasingly sought after. These skills are essential for implementing and managing ICT services that drive digital transformation.
- **Continuous Learning:** The rapid evolution of technology necessitates ongoing education and training. Organizations are investing in upskilling their workforce to keep pace with technological advancements and maintain a competitive edge.
- **Interdisciplinary Knowledge:** The convergence of ICT with other fields, such as finance, healthcare, and education, calls for professionals who possess a blend of domain-specific knowledge and ICT skills. This interdisciplinary approach enhances problem-solving capabilities and fosters innovation.
- **Leadership and Change Management:** As organizations adopt digital strategies, there is a growing need for leaders who can guide teams through the transformation process. Effective change management skills are crucial to address resistance and ensure successful adoption of new technologies.

**Breadth of Appropriate Tools.** The digital transformation journey is heavily reliant on a diverse array of ICT tools that cater to different organizational needs. The breadth of these tools provides businesses with the flexibility to choose solutions that align with their specific goals. Key categories of tools include:

- **Cloud Services:** Cloud computing offers scalable infrastructure and services, enabling organizations to reduce costs and improve accessibility. Tools like Amazon Web Services (AWS) and Microsoft Azure allow businesses to deploy applications quickly and efficiently.
- **Collaboration Tools:** Platforms such as Slack, Microsoft Teams, and Zoom facilitate remote work and enhance collaboration among teams. These tools enable seamless communication and project management, fostering a culture of teamwork regardless of physical location.
- **Data Analytics Platforms:** Tools like Tableau, Power BI, and Google Analytics empower organizations to analyze data and gain actionable insights. This capability is vital for informed decision-making and optimizing business strategies.
- **Cybersecurity Solutions:** As digital transformation increases exposure to cyber threats, robust cybersecurity tools are essential. Solutions such as firewalls, intrusion detection systems, and encryption software protect sensitive data and ensure compliance with regulations.
- **Customer Relationship Management (CRM) Systems:** Platforms like Salesforce and HubSpot help organizations manage customer interactions effectively. These systems enable personalized marketing, sales tracking, and customer service enhancements.

**Sound Infrastructure.** The backbone of successful digital transformation lies in a sound ICT infrastructure. Without a robust infrastructure, organizations may struggle to implement and leverage ICT services effectively. Key components of a sound infrastructure include:

- **Network Reliability:** A strong and reliable network is fundamental to ensuring uninterrupted access to ICT services. High-speed internet connectivity and resilient networking solutions are critical for seamless operations.
- **Data Storage Solutions:** As data generation continues to rise, efficient data storage solutions are essential. Organizations need scalable storage options, such as cloud storage and data warehouses, to manage and analyze large volumes of data securely.
- **Integration Capabilities:** Effective digital transformation often requires the integration of various ICT tools and platforms. A well-designed infrastructure should support interoperability between systems, enabling data sharing and streamlined processes.
- **Scalability:** Organizations must invest in scalable infrastructure that can grow with their needs. This flexibility allows businesses to adapt to changes in demand and technological advancements without incurring significant costs.
- **Security Measures:** Robust security measures are crucial to protecting organizational data and maintaining customer trust. This includes implementing firewalls, encryption, and regular security audits to safeguard against potential breaches.

ICT services are integral to enabling digital transformation, presenting a multitude of opportunities for organizations to innovate and grow. However, the successful adoption of these services necessitates a skilled workforce, a diverse range of appropriate tools, and a sound infrastructure. As businesses continue to navigate the complexities of the digital landscape, investing in these areas will be crucial for achieving sustainable transformation and remaining competitive in the market. By embracing ICT services, organizations can unlock their full potential and pave the way for a more connected and efficient future.

## **Strategy**

Our foremost objective is to enable digital transformation for our customers and equip them with the necessary tools, infrastructure and connectivity for such. In doing so, we seek to deliver value to all our stakeholders; be they employees, suppliers, environment, shareholders and the society at large.

In 2026, our strategy was enhanced to advance the portfolio of services around “digital@core” to “AI@core”. AI is redefining the landscape of our current capabilities, enabling us to deliver advanced solutions that support our customers in accelerating their digital transformation journeys. Building on the foundation of our cloud-centric approach—where we successfully facilitated cloud migration, adoption, and scalable infrastructure—we are now expanding our strategy to integrate AI across our offerings. This evolution allows us to transform not only IT infrastructure but also applications and business processes, delivering greater value and impact. Our previous investments have laid a strong foundation, and we will continue to invest in expanding our capabilities and resources. At the same time, we are enhancing our internal operations through automation technologies to drive efficiency and innovation. Our AI-augmented solutions are being productized to meet the evolving needs of both domestic and global markets, aligning with the broader industry shift toward intelligent and automated digital ecosystems.

Key highlights of our strategy execution during fiscal year 2026 are as follows:

### **1. Continued Investments in Future-Ready Infrastructure and Technologies**

The three independent businesses received multiple capital, strategic and operational inputs through the year. On the network side, the business commissioned the National Long Distance fiber between four cities involving a total length of approximately 9,000 kilometres of both primary and secondary networks. For the Data Center business, capital investment continued for both ongoing projects in Mumbai and also for upcoming projects. Further capital was invested into our Edge Data Centers, with the first one ready for customers and several more being financed.

### **2. Driving Scale Through Standardized Solutions**

The digital solutions portfolio has been completely revamped with focus on agentic AI solutions that will complement the current suite of Network and Data Center solutions. Each of the solutions are built to scale up along with customers demands across industries and geographies. This allows us to serve a broader customer base with greater consistency and efficiency. The net result is a better overall customer experience. The elasticity of the platform enables us to project for the future while enabling solutions for the present.

### **3. Advancing Automation and Intelligence Through Technology Investments**

We continue to strengthen our technology capabilities through investments in modern platforms and automation solutions across the enterprise. These initiatives are designed to improve operational efficiency, deepen customer interactions, and unlock insights from extensive data analytics. By doing so, we aim to drive stronger business outcomes and support informed, insight-led decision-making throughout the organization.

### **4. Upskilling our employees**

We have invested in upskilling of our employees through our learning and development programs. Training is done through various modes like ILT, VILT, eLearning and webinars. Around 4,831 associates have taken advantage of the eLearning platforms. Around 534 (438 courses and 96 assessments) learning solutions and 33,902 courses in Percipio (online third-party portal collaboration with our company) have been internally created amounting to an aggregate duration of more than 198,729 hours including compliance and induction.

In line with specific business needs, certification programs are organized with a twin objective of meeting business goals and providing associates with an opportunity to strengthen their conceptual, functional and technical expertise.

## Service Offerings

Our operating segments are as follows:

- 1) Network Services
- 2) Data Center Services
- 3) Digital Services

### 1) Network Services

We offer a range of managed services to our clients through a network that reaches more than 1,700 towns and cities in India, with over 3,400 points of presence. Our Global Network Operations Center has over 500 associates managing network and network devices of various customers across the globe. Our network extends across the globe with seven international points of presence and seamless network to network interconnection with multiple global network providers. We have an open cable landing station in India which lands two of the cable systems that come into India.

Our network is built with a combination of leased capacities, leased fiber and owned fiber. Our strength has been (i) delivering services via wireless last mile, which helps our strategy of hyper reach and (ii) our investments in building fiber network in major cities which helps us deliver hyper scale network to our clients. Our lease capacities from multiple telecommunication operators build redundancies relevant to our architecture. We are carrier agnostic. The prices of network capacities that we procure have been relatively stable over the years. We have our network spread across more than 1700 towns and cities and between them have more than 125,000 enterprise end points. Our network is managed by our associates and in certain cases through our field partners who troubleshoot and resolve tickets. Our rental of network nodes is a combination of full lease and colocation basis, which enables optimum operating costs for our network. The major cost for our network operations center is employee costs.

The focus of the Network Services is on the following lines:-

- **India Network Business** – Catering to the growing data communication needs of enterprises in India that demand agility and security, we offer Internet, MPLS and other infra services to enterprise and hyperscale customers.
- **Global Network Business** – Catering primarily to international carriers wanting to access Indian markets for Dedicated Internet Access, India In MPLS, Layer 1/Layer 2 and managed services
- **Wholesale Voice** – Addressing the ‘India termination’ using ILDO license and Hubbing services for termination outside India.
- **Retail Voice** – We offer services in the retail voice market in partnership with international players.

The following range of services are offered as part our network services portfolio:

- SecureConnect<sup>(TM)</sup> is our comprehensive offering of secure, reliable and scalable IPVPN solutions that meet both mission-critical data networking and converged voice, video and data connectivity needs. It offers a variety of intranet and extranet configurations for connecting offices, remote sites, traveling employees and business partners, whether in India or abroad.
- ExpressConnect<sup>(TM)</sup> is our offering of a premium range of high-performance Internet bandwidth solutions for connecting regional offices, branch offices and remote locations to the corporate network. These solutions complement our SiteConnect range of MPLS enabled IPVPN solutions, provide high-speed bandwidth in those situations where basic connectivity and cost are the top concerns.
- PartnerConnect<sup>(TM)</sup> is our remote access VPN offering, for providing secure and restricted dial-up access to business partners such as dealers, distributors and suppliers to the corporate extranet.
- Data Center/Cloud Interconnect portfolio
  - Data Center Interconnect provides access to 77 major data centers across the country with data center to data center connectivity over Ethernet, Fiber Channel, SDH or IP/VPN.
  - GlobalCloudConnect (“GCC”) provides seamless connectivity to global cloud service providers and multiple direct interconnects to Cloud Service Providers in India, such as Amazon web services (AWS), Microsoft Azure and Google Cloud Interconnect.

- o Oracle FastConnect provides access to Oracle Cloud across the globe, leveraging GCC and Interconnection in major data centers. GCC interconnects with Oracle cloud infrastructure ensuring fast and reliable access to the cloud region.
- o AMS-IX is private internet exchange set up in Mumbai in partnership with Amsterdam Internet Exchange by which we offer services of private peering for the content providers and the private ISPs.
- o CleanConnect<sup>(TM)</sup> provides managed and secured internet connectivity to customers.
- o RoamConnect<sup>(TM)</sup> is our national and international remote access VPN, which is used for securely connecting employees, while they are traveling, to the corporate intranet. Roam Connect features “single number access” to SifyNet from anywhere in the country and provides access from anywhere in the world through Sify’s alliances with overseas service providers.
- o SiteConnect<sup>(TM)</sup> offers site-to-site managed MPLS-enabled IPVPN solutions for securely connecting regional and large branch offices within India to the corporate Intranet.
- o GlobalSite Connect<sup>(TM)</sup>, an international site-to-site managed MPLS-enabled IPVPN solution, is used for securely connecting international branch offices to the corporate offices. It provides connectivity anywhere in the world through Sify’s alliances and partnerships with global overseas service providers.

During the past year, we focused on scaling of our existing network services portfolio with investments in infrastructure to reach more cities on fiber and adding capacities wherever there is market demand.

## 2) Data Center Services

Our Data Centers are designed to be reliable, secure and scalable to host mission-critical applications. We offer co-location services which allow customers to bring in their own rack-mountable servers and house them in shared racks or hire complete racks, and rent ‘secure cages’ at the hosting facility in accordance with their application requirements. We also offer a wide variety of managed data center services, such as storage and back-up management, performance monitoring and infrastructure monitoring and management, network availability, server load balancing, managed shared firewall, Web server log reporting and remote hands and smart hands services. Our Data Center in Rabale also hosts our private internet exchange AMS-IX.

We pioneered the Data Center business in India with the first commercial Data Center in Vashi in the year 2000. Today, we offer a combined IT power of close to 200 MW across our 14 Data Centers, located in all the major business districts. We believe Sify Data Centers have distinguishing features that help customers to stay ahead of the competition. Apart from all of them being concurrently maintainable, the Rabale campus comes with an on-premise substation and the Noida Data Center is amongst the few green Data Centers available in India. Our Data Centers are built in accordance with the 5th generation Sify Data Center Architecture and operate on an ITIL-based service delivery framework. These Data Centers have highly scalable IT infrastructure with mature operational processes, strong vendor relationships, and provide industry standard IT support functions. All our Data Centers follow professional standards of ISO 9001 for quality, ISO 27001 for information security and ISO 20000 for service delivery. The Company is also investing in Edge Data Centers in select cities based on customer requirements.

Power is the major source of input for our Data Center operations. We source power from state electricity boards for our Data Centers. We are conscious of our dependencies on a continuous power supply and the ensuing carbon footprint. Therefore, we have also invested in renewable sources of power.

## 3) Digital Services

We re-organized our offerings under the Digital Services segment to provide better strategic directions on decision making, funding and operations. These are also in line with the market demands of customers where products from our digital services portfolio are often bundled together to provide a seamless digital transformation experience for our customers.

**Network Managed Services:** We manage customers using our network and third-party network.

- Network Operations Center (NOC) services offer full network, device and performance monitoring across network infrastructure and providers. We offer Shared NOC, Dedicated NOC and Hybrid NOC services to customers.

- DDoS Protect services offer corporate customers protection from Distributed Denial-of-Service (DDoS) attacks.
- Managed SDWAN is a transformational approach to design enterprise WANs to simplify deployment and management of the network. Managed SDWAN has features such as intelligent routing, faster troubleshooting, zero-touch provisioning, providing application level visibility, security, network management and performance management.
- Edge Connect (Managed WLAN) provides Managed Wi-Fi solutions to connect devices to the network of the customer and the Internet at customer locations.
- Internet of Things (IoT) services leverages our network, cloud, applications and network integration capabilities to deliver turnkey solutions to our customers ranging from employee/vehicle tracking to smart metering, smart energy monitoring. We have both off-the-shelf solutions and customized solutions to solve customer problems.

**Enterprise Cloud services:** We offer ready-to-use compute instances on a robust, dedicated, on-demand and scalable platform to host applications and data, including the workloads of AI/ML, big data, core business-critical solutions, and DR needs on a pay-per-use basis. Managed by Sify's 24x7-available cloud experts and intelligent, state-of-the-art management platform, hyperscale public-cloud-adjacent data centers, network, and security services, we help organizations fast track their cloud adoption journey from hosted to hybrid to public cloud integrated solution at scale. Under this service, we offer Compute-as-a-Service, Storage-as-a-Service, Network-as-a-Service, Security-as-a-Service, Platform-as-a-Service, Backup-as-a-Service, Desktop-as-a-Service and DR-as-a-Service. We also offer advisory and migration services for our customers.

**Cloud and Managed Services:** Our Remote and Onsite Infrastructure Managed services provide continuous proactive management and support of customer operating systems, applications and database layers through the deployment of specialized monitoring tools and infrastructure experts to ensure that our customers' infrastructure is performing optimally. We offer hyperscale partner Cloud services, Multi-cloud management services, CDN Services and hybrid cloud management security services.

**Security Services:** Our Managed Security Services are overseen by Sify's security experts, using the latest tools and technologies to monitor customer's infrastructure and network every minute of every day. They monitor all events and, provide proactive and real-time attack mitigation. The services are based on the Sify Cyber Threat Intelligence Framework, which is a set of comprehensive services and best practices developed over the past decade. We also offer digital signature services. Most of our associates have to carry additional certifications or skillsets to offer managed services for our customers. We also offer turnkey solutions to clients who are new to both technology and technology refreshes. We do this by leveraging our home-grown expertise in design, implementation and maintenance to deliver end-to-end managed IT services across datacenters, network and security.

**Sify Application Services:** Our application services were built to leverage on our network, cloud, security capabilities and integrator strengths. We offer applications that were developed in house and also manage industry standard applications. Our offerings are:

- *Talent Management:* Our in-house application through which we offer solutions such as online examination services, online registration services and student lifecycle management services to our customers.
- *Supply Chain Management:* Forum NXT offers tools to effectively manage our customers' front-end supply chain. It offers an integrated inventory system software and financial accounting systems that can be used by all stakeholders in the distribution network of customers. Forum NXT automates salesforce operations with an inventory management mobile app for order tracking, market surveys, and more.
- *eLearning:* Our eLearning services create immersive and engaging learning experiences with new technology and interactive learning. Our innovative eLearning technologies and courseware solutions leverage the power of the web, mobile and the cloud. We offer custom solutions to customers to develop their courses using modern technologies like virtual reality, game based learning and interactive 3D learning in addition to more traditional methods like instructor-led training and video-based learning modules.
- Full Stack observability and Digital Asset management Services.

**Enterprise Application services:** We offer a wide range of services across industry applications as detailed below:

*SAP Services:* We offer a range of support services, and our experts help with all aspects, including SAP implementation and maintenance, SAP GST ready, SAP Basis and SAP HANA cloud hosting, and system improvements and innovation strategies. With our vast experience across geographies and industries, we believe we have the right people, practices, and solutions to help organizations generate the return on their SAP investments and build a transparent business.

*Microsoft Services:* We offer support and implementation services for Microsoft Office 365, Azure cloud solutions and SQL enterprise grid.

*Oracle Services:* We help customers deploy their Oracle applications and business critical infrastructure, either in their Data Center over the Cloud. We help organizations of all sizes to deploy, migrate, integrate, develop, enhance, optimize, monitor and manage Oracle software, platforms, and infrastructure.

### Corporate Customers

Our customers from India are spread across industries and range in sizes from Large Corporations to Small and Medium Businesses. We have customers across industries like Banking Financial Services and Insurance, Manufacturing, Retail and Distribution, Pharmaceuticals, Media, Printing and Publishing, Information Technology Enabled Services, Telecommunication, Power, Public Sector Units and Governments. We have more than 10,000 customers to date. We also have our wholesale businesses with fellow carriers for data, voice and data center services.

Percentage of total revenue by geographic segment for the last three fiscal years were as follows:

<b>Geography</b>	<b>2026</b>	<b>2025</b>	<b>2024</b>
India	93.00%	92.39%	93.46%
Rest of the world	7.00%	7.61%	6.54%

Percentage of total revenue by operating segment for the last three fiscal years were as follows:

<b>Operating Segment</b>	<b>2026</b>	<b>2025</b>	<b>2024</b>
Network Services	39.29%	39.57%	41.15%
Data center services	39.04%	35.59%	31.02%
Digital Services	21.67%	24.84%	27.83%

During the 2025-2026 fiscal year, revenue from one of our customers in the data center and network services segment was ₹ 8,809 million which is more than 10% of the Group's total revenue.

### Customer Service and Technical Support

We have a single window help desk for all our customers across different service lines. This helps our customers reach the right technical support and get issues resolved quickly. We support multiple support modes, including telephone calls, emails and WhatsApp messages from our clients. We provide 24x7 support for enterprises services.

### Sales and Marketing

Our sales and marketing functions are structured based on geographies to cater to the needs of respective markets. We have sales and marketing teams in India, Singapore, the United Kingdom and the United States. The Indian sales force is further divided into regions such as North, East, West, South and also based on the customer segment such as the Digital Sales Team and Wholesale. The Singapore team is responsible for the rest of Asia Pacific region; the United Kingdom team is responsible for the European market; and the United States team is responsible for coverage across North America.

### Technology and Network Infrastructure

#### *Geographic coverage:*

Our network today reaches more than 1700 towns and cities which among them have more than 125,000 links. We own this entire network, giving us complete control over its technology, traffic and speed. These points of presence, or primary nodes, reside at the core of a larger Internet protocol network with a star and meshed topology architecture thereby building in redundancy at every point and translating into minimum downtime for customers.

Today we offer the following services to our enterprise and consumer customers using our network.

- Internet access services,
- IP/ MPLS Virtual private networks
- SD WAN services
- Cloud Interconnect
- Internet based Voice services
- Layer 1 / Layer 2 networks
- Data center / cloud interconnections

Each point of presence contains data communications equipment housed in a secure facility owned, leased or operated on an infrastructure co-location basis by our Company. The last mile connection to the customer can be a leased line, ISDN or point-to-multipoint radio link that we have licensed from the Wireless Planning Commission. In some locations, we also use certain radio frequencies, which do not require an operating license. Our larger corporate customers access the point of presence directly through leased lines or wireless links.

*Network Architecture.* We aim to ensure network reliability through several methods. We use routers to route traffic between nodes interconnected using a high-speed interface. Most of our applications and network verification servers are manufactured by market leaders in telecommunications equipment.

The primary nodes on the backbone network are connected by multiple high-speed fiber optic lines that we lease from long distance operators. The secondary nodes are connected by leased lower speed lines. A number of nodes are accessible from at least two other nodes, if not, by two long distance operators, allowing us to reroute traffic in the event of failure on one route. We try to reduce our exposure to failures on the local loop by locating our POPs within range of service providers, switching equipment and purchasing connectivity from multiple providers. To further maximize our network uptime, our POPs are almost completely connected to the switching points of our service providers by fiber optic cables.

In addition to an emphasis on reliability and security, our network design philosophy has focused on compatibility, interoperability, scalability and quality of service. We use Internet protocol with Multi-Protocol Label Switching("MPLS"), to transmit data, thus ensuring that our network is completely interoperable with other networks and systems and that we may port any application onto our network. The modular design of our network is fully scalable, allowing us to expand without changing the network design or architecture.

*Network Operations Center.* We maintain a network operation center located in Chennai (Madras) and backup facilities in Mumbai (Bombay) and Hyderabad. The Chennai facility houses our central network servers as well as our network staff who monitor network traffic, service quality and equipment at all our POPs to enhance network reliability. These operation centers are staffed 24-hours-a-day, seven-days-a-week. We have backup power generators and software and hardware systems designed to prevent network downtime in the event of system failures. In the future, we may add additional facilities to supplement or add redundancy to our current network monitoring capability.

*Data Center Infrastructure.* We operate 14 concurrently maintainable Internet Data Centers, of which seven are located in Mumbai, two are located in each of Noida and Chennai, and one is located in each of Bangalore, Hyderabad and Kolkata. We offer managed hosting, security and infrastructure managed services from these facilities. These Data Centers are completely integrated with our IP / MPLS network which provides seamless connectivity for our customers from their premises to their applications hosted in the Data Centers.

## **Competition**

The market we operate in is extremely competitive as the technology landscape is rapidly changing. While we compete with large incumbent players, we also face competition from smaller niche technology companies. We respond to Requests for Proposals from customers. Our ability to operate across the spectrum of ICT has enabled us to win many customers for a la carte integrated solutions. We expect competition to intensify further with the digital revolution giving rise to many smaller companies and also due to the trend of insourcing technology services by our customers.

Given our wide range of services, our competition is also extensive and varied. As the markets in India for corporate network/data services, Internet access services and online content expand, we will continue to see the entry of newer competitors and those with greater resources.

Individually, we expect to see competition intensify from established players like Reliance Jio, TATA Communications and Bharti for telecommunications services, Ctrl S, STT, Nxtra and Net Magic for Data Centers, proprietary leaders like IBM and localized players like Ramco for Cloud services, and traditional software leaders like Infosys, HP, Wipro and TCS for Applications Integration services.

## **Intellectual Property**

Our intellectual property rights are important to our business. We rely on a combination of copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property. We have filed trademark and service mark applications in India for registering our product and service offerings.

We also rely on a variety of technologies that are licensed from third parties. We use software developed by these and other companies to perform key functions.

Our network business operations are dependent on licenses issued by the TRAI it is subject to annual gross revenue payments, which are subject to changes if the government changes regulations in the future.

## Government Regulation

Our business is subject to comprehensive regulation by the Indian Ministry of Communications through the Telecom Commission and the DOT, pursuant to the provisions of the Indian Telegraph Act of 1885 (the “Telegraph Act”), the India Wireless Telegraphy Act, 1933 (the “Wireless Act”), the Information Technology Act, 2000 (“the “IT Act”) and the terms of our Internet service provider license issued by the DOT. Pursuant to the Telegraph Act, the provision of any telecommunications services in India requires a license from the Government, obtained through the DOT. While the Telegraph Act sets the legal framework for regulation of the telecommunications sector and the Wireless Act regulates the possession of wireless telegraphy equipment, much of the supervision and regulation of our Company is implemented more informally through the general administrative powers of the DOT, including those reserved to the DOT and other Government agencies under our license.

In March 1997, the Government established the Telecom Regulatory Authority of India (the “TRAI”), an independent regulatory authority, under the provisions of the Telecom Regulatory Authority of India Act. The TRAI is an autonomous body consisting of a chairperson and at least two and not more than four members.

Under the Telecom Regulatory Authority of India Act, the functions of the TRAI are to:

- make recommendations on (i) the need and timing for the introduction of new service providers, (ii) the terms and conditions of licenses granted to service providers, (iii) the revocation of licenses for non-compliance, (iv) measures to promote competition, growth and efficiency in the operation of telecommunications services, (v) technological improvements in the services provided by service providers, (vi) the type of equipment to be used by service providers, (vii) measures for the development of telecommunications technology and the telecommunications industry and (viii) the efficient management of the available spectrum;
- discharge the following functions: (i) ensure compliance of the terms and conditions of licenses, (ii) fix the terms and conditions of interconnectivity between service providers, (iii) ensure technical compatibility and effective interconnection between service providers, (iv) regulate revenue sharing arrangements between service providers, (v) establish standards of quality of service, (vi) establish time periods for providing local and long distance telecommunications circuits between service providers, (vii) maintain and keep for public inspection a register of interconnect agreements and (viii) ensure effective compliance of universal service obligations;
- levy fees and other charges at such rates and in respect of such services as may be determined by regulation; and
- perform such other functions as may be entrusted to it by the Government or as may be necessary to carry out the provisions of the Telecom Regulatory Authority of India Act.

The TRAI also has the authority to, from time to time, set the rates at which domestic and international telecommunications services are provided in India. The TRAI does not have authority to grant licenses to service providers or renew licenses, functions that remain with the DOT. The TRAI, however, has the following powers:

- to call on service providers to furnish information relating to their operations;
- to appoint persons to make official inquiries;
- to inspect the books of service providers; and
- to issue directives to service providers to ensure their proper functioning.

Failure to follow TRAI directives may lead to the imposition of fines. Decisions of the TRAI may be appealed to the Telecom Disputes Settlement and Appellate Tribunal.

On May 31, 2012, the Union Cabinet approved the National Telecom Policy-2012 (NTP-2012), and the Cabinet also approved introduction of the Unified License regime, wherein all telecommunications-based Government approvals are handled under one umbrella and (managed by the DOT). The DOT issued the Guidelines for Grant of Unified License on August 19, 2013 and also the Unified License Agreement on August 2, 2013 along with a Corrigendum dated August 29, 2013.

As per the new Guidelines, any company applying for renewal of a license under the Unified License regime, must apply for all its required licenses from DOT under the new Unified License regime. The Company signed the Unified License Agreement with the GOI on June 2, 2014, valid for 20 years.

In 2016, the TRAI announced a new Virtual Network Operator license as a part of the Unified License regime to bring more players into the market through a resale model. The Company applied and has been allotted this license for Chennai circle.

In October 2021, the DOT issued an amendment to clarify the definition of Applicable Gross Revenue (“AGR”) as follows:

AGR shall be equal to Gross Revenue (“GR”) of the licensee as reduced by the items listed below:

- i. Revenue from operations other than telecom activities/ operations.
- ii. Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- iii. Receipts from the USO Fund.
- iv. List of other income\* to be excluded from GR to arrive at AGR
  - a) Income from Dividend
  - b) Income from Interest
  - c) Capital Gains on account of profit of Sale of fixed assets and securities
  - d) Gains from Foreign Exchange rates fluctuations
  - e) Income from property rent
  - f) Insurance claims
  - g) Bad Debts recovered
  - h) Excess Provisions written back.

### **Organizational Structure**

A list of subsidiaries and relevant information about them is provided in Exhibit 8.1 to this Annual Report.

### **Property, Plant and Equipment**

Investment in Network services

We own our corporate headquarters located in Chennai (Madras), India, which is approximately 100,000 square feet, and a regional office in Mumbai (Bombay), which is approximately 20,000 square feet. We have leased a network operations center in Chennai, which is approximately 3,500 square feet.

Our network operations center in Chennai houses our central network servers as well as our network staff who monitor network traffic, service quality and equipment at all our POPs, to enhance network reliability. We have POPs in over 1,700 towns/cities across India. Most of our POPs are staffed 24-hours-a-day, seven-days-a-week. Our POPs average approximately 750 square feet at each location. We have backup power generators and software, and hardware systems designed to prevent network downtime in the event of system failures. In the future, we may add additional facilities to supplement or add redundancy to our current network monitoring capability. Our property, plants and equipment are pledged as collateral under loans / working capital facilities from banks.

The Company is part of a sub-consortium of the Europe India Gateway, which provides undersea cable capacity between London and Mumbai. The gateway went live in 2013 and was upgraded during fiscal years 2015, 2016, 2018, 2019 and 2021. Being a part of the gateway adds significant capacity, leading to our ability to service larger customers. The Company also lands international cable systems MENA and GBI at its landing station in Versova, Mumbai.

Investment in Data Centers

We offer a total built capacity of 192.36 MW and an operational capacity of 128.40 MW across our 14 Data Center facilities. All our Data Centers are concurrently maintainable, our Rabale campus comes with an on-premises substation, and our Noida DC is amongst the few green data centers in India. Our Data Centers provide high-level security features like perimeter fence, gates, fire suppression, and 24x7 security officers. All critical areas have Biometric Readers, Smart Card Access, and 24x7 CCTV surveillance. The Noida and Rabale Data Centers have Z level security with advanced fire alarms, aspirating smoke sensors, multilevel access control, and automatic fire suppression. We continue to expand our capacity to meet the rising demands of data centers.

### **Item 4A. Unresolved Staff Comments**

None.

## **Item 5. Operating and Financial Review and Prospects**

The financial statements of the Company included in this Annual Report on Form 20-F have been prepared in accordance with the English version of International Financial Reporting Standards as issued by International Accounting Standards Board. The information set forth in the Operating and Financial Review and Prospects is for the Company's three most recent fiscal years. The discussion, analysis and information presented in this section should be read in conjunction with our financial statements included herein and the notes thereto. See Note Regarding Forward-Looking Statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including, but not limited to, those described below and elsewhere in this annual report, particularly in the risk factors described in "Part I — Item 3 Key Information — Risk Factors."

### **Operating Results**

This information is set forth under the caption entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" below. Further, information relating to Government and, economic policies or other factors which have materially affected, or could materially affect, directly or indirectly, the Company's operations, is set forth under the caption entitled 'Risk Factors' above.

### **Liquidity and Capital Resources**

This information is set forth under the caption entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" below.

### **Research and Development**

This information is set forth under the caption entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" below.

### **Trend Information**

This information is set forth under the caption entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" below.

## **Management's Discussion and Analysis of Financial Condition and Results of Operations**

(₹ in million, except share data and where otherwise stated)

### **Overview**

We are among the largest integrated ICT solutions and services companies in India, offering end-to-end solutions with a comprehensive range of products delivered over a common data network infrastructure reaching more than 1700 cities and towns in India. This network also connects 77 data centers across India including Sify's 14 concurrently maintainable data centers across the cities of Chennai, Mumbai, Kolkata, Delhi, Bengaluru and Hyderabad and other data centers.

Our mission is to build a world in which our converged ICT ecosystem and our 'bring it on' attitude will bring a competitive advantage to our customers. Our three core values, which are called 'The Sify way', are: (1) put customers' needs first, (2) be accountable, and (3) trust the team.

Our primary geographic markets are India and the rest of the world. Our revenue is derived from providing services to enterprise customers, comprising (a) Network services, (b) Data Center services, and (c) Digital Services, which represent our operating segments.

We were incorporated on December 12, 1995 in Andhra Pradesh, India as Satyam Infoway Private Limited, a Company under the Indian Companies Act to develop and offer connectivity-based corporate services in India. We completed our initial public offering of ADSs in the United States in October 1999. We listed our ADS on the NASDAQ Global Market on October 19, 1999. We shifted our registered office to Chennai, Tamil Nadu beginning April 1, 2003. On July 11, 2017, our ADS listing moved to the NASDAQ Capital Market.

Digital revolution is driving our customers and prospective customers to transform in every aspect of their businesses, including the entire spectrum of ICT from network, storage, virtualization, network integration, analytics and applications on the cloud. We aim to keep our customers ahead in this digital journey with our innovative products and solutions.

Our strategy was enhanced to advance the portfolio of services around “digital@core” and “AI@core”. AI is redefining the landscape of our current capabilities, enabling us to deliver advanced solutions that support our customers in accelerating their digital transformation journeys. Building on the foundation of our cloud-centric approach—where we successfully facilitated cloud migration, adoption, and scalable infrastructure—we are now expanding our strategy to integrate AI across our offerings.

## **Revenues**

### *Network Services*

Revenues from Network Services primarily come from providing network infrastructure such as NLD/ILD services, IPVPN services, Internet connectivity and last mile connectivity and from the installation of connectivity links. In certain cases, these elements are sold as a package consisting of all or some of the elements. We provide these services for a fixed period of time at a fixed rate regardless of usage, with the rate for the services determined based on the type of service and capacity provided, scope of the engagement and the Service Level Agreement, or SLA.

We provide NLD and ILD services and carry voice traffic for Inter-connect Operators. Revenue is recognized based upon metered call units of voice traffic terminated on our network.

The Company offers services in the retail voice market in partnership with Skype Communications, S.a.r.l. The Company realizes revenue from the sale of voice credits and subscriptions of Skype.

### *Data Center Services*

Revenue from Data Center services includes revenue from co-location of space and racks and on usage of power by these racks. The contracts are mainly fixed rate for a period based on the racks used, and usage revenue is based on consumption of power by the customers.

### *Digital Services*

Revenues from Digital Services are primarily from Network Managed services, Enterprise Cloud services, Managed Services, Security Services and Application services. The revenues from Network Managed services, Enterprise Cloud services and Managed Services are primarily fixed in nature and for a period of time. Revenues from Security Services and Application services comprise value-added services, operations and maintenance of projects and remote infrastructure management. Contracts from this segment are fixed and could also be based on a time and material basis (“T&M”). Turnkey projects such as DC build and, SoC/NoC build are recognized based on completion of projects and could also be based on T&M.

## **Expenses**

### **Cost of sales**

#### *Network Services*

Cost of sales for the corporate network/data services division consists of telecommunications costs necessary to provide services and cost of goods in respect of communication hardware and security services sold, commissions paid to franchisees and cable television operators, the cost of voice termination for voice and VoIP services and other direct costs. Telecommunications costs include the costs of international bandwidth procured from Telcos and are required for access to the Internet, providing leased lines to our POPs, the costs of using third-party networks pursuant to service agreements, leased line costs and costs towards spectrum fees payable to the Wireless Planning Commission for provision of spectrum to enable connectivity to be provided on the wireless mode for the last mile. Other costs include cost incurred towards annual maintenance contracts and the costs of installation in the connectivity business. In addition, the Government levies an annual license fee of 8% of the adjusted gross revenue generated from IP-VPN services and Voice services under the Unified License.

### *Data Center Services*

Cost of sales for Data Center services consist of the cost of electrical power consumed and any other direct cost incurred to provide services. Direct cost includes cost of hardware which is sold to customers.

### *Digital Services*

Cost of sales for the Network Managed Services, Enterprise Cloud Services, Managed services and Security Services consists of the cost of licenses to provide services, the cost of billable resources for Infrastructure Managed services, third party professionals engaged in providing services, delivery team associate cost, hardware and software supplied for turnkey projects, and cost of operations of build-operate-transfer projects.

Cost of sales for Application Services consists of professional charges payable to domain specialists and subject matter experts, cost of billable associates within the e-learning business, cost of operating in third party facilities for online assessments, including invigilator costs and cost of procuring and managing content for the websites, cost of digital certificates and platform usage and other direct costs.

### *Selling, general and administrative expenses*

Selling, general and administrative expenses consist of salaries and commissions for sales and marketing personnel, salaries and related costs for executive, financial and administrative personnel, advertising and other brand-building costs, travel costs, and occupancy and overhead costs.

### *Depreciation and amortization*

We depreciate our tangible assets on a straight-line basis over the useful life of assets, ranging from 3-8 years and, in the case of buildings, 28 years. System Software is amortized over a period of 1-3 years, undersea cable capacity is amortized over a period of 12 years, and other intangible assets with finite lives are amortized over 3-5 years.

### *Impairment*

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot 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"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination. For the purpose of impairment testing, corporate assets are allocated to the cash generating units on a reasonable and consistent basis.

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.

### *Inventories*

Inventories comprising traded hardware and software are measured at the lower of cost (determined using a first-in, first-out principle) and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## Deferred tax

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: 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, and differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising 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. Deferred tax assets in respect of deductible temporary differences are recognized only to the extent of deferred tax liabilities on taxable temporary differences. MAT credit entitlement has been recognized as a deferred tax asset.

Deferred tax arising on investments in subsidiaries and associates is recognized except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxation on the temporary differences arising out of undistributed earnings of the equity method accounted investee is recorded based on management's intention. If the intention is to realize the undistributed earnings through sale, deferred tax is measured at the capital gains tax rates that are expected to be applied to temporary differences when they reverse. However, when the intention is to realize the undistributed earnings through dividend, the Group's share of the income and expenses of the equity method accounted investee is recorded in the statement of income, after considering any taxes on dividend payable by the equity method accounted investee and no deferred tax is set up in the Group's books as the tax liability is not with the group.

## Stock compensation expense

A total of 25 million of Sify's equity shares are reserved for issuance under our Associate Stock Option Plans ("ASOPs"). Our ASOP 2014 was adopted at the Eighteenth Annual General Meeting held on July 28, 2014. As of March 31, 2026, we had an aggregate outstanding of 0.47 million options under our ASOP 2014 with a weighted average exercise price equal to approximately ₹ 74.13 (\$0.78) per equity share. Unamortized stock compensation expense as of March 31, 2026 on these options is ₹ 0.12 million (US\$ 0.001 million).

A total of 30 million SISL equity shares are reserved for issuance under the SISL ESOP 2025. The SISL ESOP 2025 was adopted at SISL's Extraordinary Meeting held on September 26, 2025. As of March 31, 2026, we had an aggregate outstanding of 18.79 million options under the SISL ESOP 2025 with a weighted average exercise price equal to approximately ₹ 150.00 (\$1.58) per equity share. Unamortized stock compensation expense as of March 31, 2026 on these options is ₹ 731.99 million (US\$ 7.73 million).

## Results of Operations

The following table sets forth certain financial information as a percentage of revenues:

	Fiscal Year		
	2026	2025	2024
	%	%	%
Revenues	100	100	100
Cost of sales	(59.81)	(62.47)	(62.80)
Other operating income	0.84	0.91	1.06
Selling, general and administrative expenses	(18.10)	(18.66)	(18.13)
Depreciation and amortization expenses	(16.21)	(14.12)	(13.40)
<b>Profit from operating activities</b>	<b>6.72</b>	<b>5.66</b>	<b>6.73</b>
Investment Income	0.08	0.47	0.44
Impairment provision on Investment	(0.06)	-	-
<b>Profit before financing and income taxes</b>	<b>6.74</b>	<b>6.13</b>	<b>7.17</b>
Finance income*	0.00	0.03	-
Interest on borrowings	(8.04)	(6.13)	(5.48)
Interest expenses on pension liabilities	(0.03)	(0.01)	(0.01)
Interest expenses on lease liabilities	(0.75)	(0.75)	(0.70)
<b>Net finance income/(expenses)</b>	<b>(8.83)</b>	<b>(6.85)</b>	<b>(6.19)</b>
<b>Profit / (Loss) before tax</b>	<b>(2.09)</b>	<b>(0.72)</b>	<b>0.98</b>
Income tax (expense)/ benefit	(0.95)	(1.25)	(0.51)
<b>Profit / (Loss) for the year</b>	<b>(3.04)</b>	<b>(1.97)</b>	<b>0.47</b>

\* Below the rounding off norm adopted by the Group.

## Results of year ended March 31, 2026 compared to year ended March 31, 2025

The growth in our revenues in fiscal year 2026 from fiscal year 2025 is given below:

	<u>2025 - 2026</u>	<u>2024 - 2025</u>	<u>Increase/ (decrease)</u>	<u>% Change</u>
Revenues	44,877	39,886	4,991	13%

Fiscal Year 2025-2026 had 13% growth, with an increase in revenues of ₹ 4,991 million (US\$53 million) contributed largely by Network Services with revenue growth of ₹ 1,853 million (US\$20 million) and Data Center Services with revenue growth of ₹ 3,323 million (US\$35 million) which was partially off-set by a decrease in revenue of Digital Services of ₹ 186 million (US\$2 million).

The revenue by operating segments is as follows:

	<u>Revenue</u>		<u>Percentage of revenue</u>		<u>Growth %</u>
	<u>2025 - 2026</u>	<u>2024 - 2025</u>	<u>2025 - 2026</u>	<u>2024 - 2025</u>	
Network Services	17,634	15,781	39%	40%	(1)%
Data Center Services	17,519	14,196	39%	36%	3%
Digital Services	9,724	9,910	22%	25%	(3)%
<b>Total</b>	<b>44,877</b>	<b>39,887</b>	<b>100%</b>	<b>100%</b>	<b>-</b>

Revenue from Network Services increased by ₹ 1,853 million (US\$20 million) primarily due to (i) an increase in revenue of ₹ 1,590 million (US\$17 million) from connectivity services, contributed by an increase in capacity by existing and new customer engagements and (ii) an increase in revenue of ₹ 263 million (US\$ 3 million) in voice services, which is attributable to an increase in revenue from our ILD & Hubbing business of ₹ 360 million (US\$ 4 million) and a decrease in revenue of ₹ 97 million (US\$1 million) in our retail voice business.

Revenue from Data Center Services increased by ₹ 3,323 million (US\$ 35 million) on account of new contracts and higher capacity utilization by existing customers.

Revenue from Digital Services decreased by ₹ 186 million (US\$ 2 million) mainly due to (i) a decrease in revenue from Application Integration Service of ₹ 527 million (US\$ 6 million) primarily from eLearning services, and (ii) decrease in revenue in Network Managed Services of ₹ 674 million (US\$7 million) with these decreases partially offset by an increase in revenue from Cloud and Managed Services of ₹ 1,016 million (US\$ 11 million),

### Other operating income

The change in other operating income was as follows:

	<u>2025-2026</u>	<u>2024-2025</u>	<u>Increase/ (decrease)</u>	<u>% Change</u>
Other operating income	376	363	13	4%

Other operating income increased by ₹ 13 million (US\$0.14 million). The increase was primarily on account of an increase in Miscellaneous income of ₹ 4 million (US\$0.04 million) and an increase in interest income of ₹9 million (US\$0.10 million).

### Cost of Sales

Our cost of sales in each of the business segment is set forth in the following table:

	<u>2025-2026</u>	<u>2024-2025</u>	<u>Increase/ (decrease)</u>	<u>% change</u>
Network Services	11,699	10,907	792	7%
Data Center Services	7,063	5,988	1,075	18%
Digital Services	8,081	8,022	59	1%
<b>Total</b>	<b>26,843</b>	<b>24,917</b>	<b>1,926</b>	<b>8%</b>

The cost of sales increased by 8% on an overall basis and the movement in cost of sales by nature of expense is explained in detail below:

	<u>2025-2026</u>	<u>2024-2025</u>	<u>Increase/ (decrease)</u>	<u>% change</u>
Network Costs	9,478	9,032	446	5%
Revenue Share	1,159	954	205	21%
Cost of Hardware / Software	4,598	4,419	179	4%
Power Costs	6,490	5,593	897	16%
Direct Resources Costs	3,146	2,755	391	14%
Other Direct Costs	1,972	2,164	(192)	(9)%
<b>Total</b>	<b>26,843</b>	<b>24,917</b>	<b>1,926</b>	<b>8%</b>

Network costs comprise cost of bandwidth leased out from TELCOS, Inter connect charges and IP termination costs payable to carriers. Bandwidth costs increased by ₹ 74 million (US\$1 million) due to capacity increase and IP termination costs increased by ₹372 million (US\$4 million) on account of an increase in minutes.

Revenue share costs comprise revenue share payable to DOT on ILD, NLD and other services. The increase in revenue share was mainly due to an increase in revenue from licensed services.

The increase in cost of hardware and software expenses is on account of execution of new projects in systems integration and security services.

Power cost includes electricity charges incurred for our Data Center operations. Power costs increased by ₹897 million (US\$9 million) due to an increase in occupancy of newly commissioned Data Centers, an increase in consumption in existing Data Centers and increased power tariffs.

Direct resources costs comprise (i) the cost of resources deployed on the network infrastructure delivery, (ii) resources involved in the delivery of application services, and (iii) the cost of billable resources associated with the eLearning and infrastructure managed services. There was an increase in resource costs by ₹391 million (US\$4 million).

Other direct costs comprise link implementation and maintenance charges for the Network services, one-time costs for data center services for on boarding new customers, platform costs for Cloud storage, direct costs of application services, digital certificate platform costs, content costs, delivery costs of application services, and costs of subject matter experts for international business. The decrease in other direct costs was due to a decrease in the cost of materials incurred for a new integration project by ₹ 359 million (US\$4 million) which was partially offset by an increase in Cloud Platform Charges of ₹ 167 million (US\$2 million).

As a result of the foregoing factors, our cost of sales as a percentage of our total revenue decreased by 266 basis points (“bps”).

### **Selling, General and Administrative Expenses**

Selling, General and Administrative expenses of the Company by nature of expenses are set forth as follows:

	<u>2025-2026</u>	<u>2024-2025</u>	<u>Increase/ (decrease)</u>	<u>% change</u>
Operating costs	2,906	2,238	668	30%
Selling and Marketing Expenses	289	109	180	165%
Associate Expenses	3,282	3,233	49	2%
Other Indirect expenses	1,482	1,629	(147)	(9)%
Allowance for doubtful receivables/advances	164	195	(31)	(16)%
Forex Loss	-	38	(38)	(100)%
<b>Total</b>	<b>8,123</b>	<b>7,442</b>	<b>681</b>	<b>9%</b>

Our selling and marketing expenses as a percentage of total revenue decreased from 18.66% for the year ended March 31, 2025 to 18.10% for the year ended March 31, 2026. Operating costs include rental, repairs and maintenance charges of our network operating centers, base stations and other co-location sites including the rent and maintenance for our Data Centers. Operating costs increased by ₹668 million (US\$7 million) on account of an increase in repairs and maintenance and network operating costs.

Selling and Marketing expenses consist of selling commission payable to sales partners, incentives for salesmen, and marketing and promotion costs. Selling and Marketing expenses increased by ₹180 million (US\$ 2 million).

Associate expenses consist of the cost of the employees who are part of sales and marketing, business development, general management and support services. Associate expenses increased by ₹49 million (US\$1 million) due to an increase in head count.

Other indirect expenses consist of rental and electricity cost for offices, travel costs, legal charges, professional charges, communication, and others. Other indirect costs decreased by ₹147 million (US\$2 million).

Allowances for doubtful receivables/advances consists of the charge on account of the provisions created during the year against doubtful receivables/advances. Allowances for doubtful receivables/advances decreased by ₹31 million (US\$0.33 million) on account of provisions as per Expected Credit Loss method.

Forex losses incurred were ₹- million (\$0 million) compared to the previous year.

**Profit / (Loss) for the Year and Earnings before interest, taxes, depreciation and amortization excluding other operating income, forex gain/loss and profit/loss on sale of property, plant and equipment (“Adjusted EBITDA”)**

	<u>2025-2026</u>	<u>2024-2025</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
Profit / (Loss) for the year	(1,366)	(785)	(581)	74%
As a percentage of carrying value	(3.04)%	(1.97)%		
Adjusted EBITDA	9,871	7,562	2,309	31%
As a percentage of carrying value	<u>22.00%</u>	<u>18.96%</u>		

Adjusted EBITDA increased over the previous year due to an increase in revenue.

**Management-defined Performance Measures (“MPMs”)**

The Company uses Earnings before interest, taxes, depreciation and amortization excluding other operating income, forex gain/loss and profit/loss on sale of property, plant and equipment (“Adjusted EBITDA”) as the management-defined performance measure under IFRS 18 in its public communications. Information about MPMs under IFRS 18 may be found in note 42 to our Consolidated Financial Statements. This measure is not specified by IFRS Accounting Standards and therefore might not be comparable to similar measures used by other entities. In addition, Adjusted EBITDA should not be considered in isolation as a substitute for, or as superior to, financial measures calculated in accordance with IFRS, and our financial results calculated in accordance with IFRS and reconciliation to those financial statements should be carefully evaluated.

Management believes Adjusted EBITDA provides comprehensive information about the company’s operating performance. Management is using Adjusted EBITDA for reviewing the performance of the organisation and for forecasting.

**Reconciliation with Management-defined Performance Measures:**

<u>Description</u>	<u>2025-2026</u>	<u>2024-2025</u>
<b>Profit / (Loss) for the year, add:</b>	<b>(1,366)</b>	<b>(785)</b>
Depreciation and Amortization expense	7,274	5,633
<b>Net finance expense</b>	<b>3,949</b>	<b>2,294</b>
Current tax	487	699
Less:		
Deferred Tax	(62)	(200)
Other Income (including exchange gain/loss)	(411)	(79)
<b>Adjusted EBITDA</b>	<b><u>9,871</u></b>	<b><u>7,562</u></b>

**Depreciation and amortization**

Depreciation and amortization are set forth in the table below:

	<u>2025 -2026</u>	<u>2024 -2025</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
Depreciation and amortization	7,274	5,633	1,641	29%
As a percentage of carrying value	<u>14%</u>	<u>12%</u>		

Depreciation and amortization expenses increased by ₹1,641 million (US\$17 million), mainly due to the capitalization of new assets during the year.

## Profit from operating activities

	<u>2025 -2026</u>	<u>2024 -2025</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
Operating profit	3,013	2,257	756	33%
As a percentage of revenue	6.71%	5.66%		

Operating profit increased over the previous year due to increase in revenue.

## Finance income / (expense)

	<u>2025 -2026</u>	<u>2024 -2025</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
Finance income	1	13	(12)	(92)%
Finance expense	(3,963)	(2,744)	(1,219)	44%
Net finance income / (expense)	<u>(3,962)</u>	<u>(2,731)</u>	<u>(1,231)</u>	<u>45%</u>

**Finance income:** Finance income primarily consists of interest received

**Finance expense:** Finance expenses increased by ₹ 1,219 million (US\$ 13 million) primarily on account of an increase in interest on borrowings of ₹ 1,171 million (\$ 12 million), and an increase in interest on lease liability on account of IFRS 16 – Leases of ₹ 37 million (US\$ 0.4 million).

## Net Profit /(Loss)

	<u>2025 -2026</u>	<u>2024 -2025</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
Net Profit/(Loss)	(1,366)	(785)	(581)	74%
As a percentage of revenue	3.04%	1.97%		

## Results of year ended March 31, 2025 compared to year ended March 31, 2024

Refer to the section “Results of year ended March 31, 2025 compared to year ended March 31, 2024” under “Management's Discussion and Analysis of Financial Condition and Results of Operations” of Item 5 in our Annual Report on Form 20-F, for fiscal year 2025, filed with the U.S. Securities and Exchange Commission on June 9, 2025, for analysis of our results for fiscal year 2025 in comparison with fiscal year 2024.

## Foreign Exchange Fluctuations and Forwards

We enter into foreign exchange derivative contracts to mitigate the risk of changes in foreign exchange rates on cash flows denominated in U.S. dollars. We enter into forward contracts where the counter party is a bank. Forward contracts generally mature between one to six months. The Group has not adopted hedge accounting policies as per IFRS. These contracts are marked to market as on the balance sheet date and recognized in the consolidated income statement.

## Governmental economic, fiscal, monetary or political policies

See Item 5 – Operating and Financial Review and Prospects – Expenses for more information on governmental policies that materially affect the Group’s operations by host country shareholders.

## Liquidity and capital resources

We have financed our operations largely through cash generated from operations, equity issuance and bank borrowings. Our liquidity requirements are for meeting working capital needs and capital expenditure required to upgrade and maintain our existing infrastructure.

The following table summarizes our cash flows for periods presented:

	2026	2025	2024	2026
	₹ In million	₹ In million	₹ In million	US \$ in million
Net cash from / (used in) operating activities	7,176	8,647	5,935	76
Net cash from / (used in) investing activities	(12,905)	(12,324)	(12,458)	(136)
Net cash from / (used in) financing activities	5,159	4,730	7,442	53
Effect of exchange rate changes on cash and cash equivalents	(3)	(1)	1	(0)
Net increase / (decrease) in cash and cash equivalents	(573)	1,052	920	(7)

As of March 31, 2026 we had negative working capital (current asset less current liabilities) of ₹ 8,888 million, which includes cash and cash equivalents of ₹ 4,098 million. As of March 31, 2025, we had negative working capital of ₹ 2,739 million, which includes cash and cash equivalents of ₹ 4,671 million. As of March 31, 2024, we had positive working capital of ₹ 577 million, which includes cash and cash equivalents of ₹ 3,619 million. We believe that cash from operations and existing lines of credit are sufficient to meet our liquidity requirements.

Our short-term borrowings to finance working capital requirements are primarily financed by cash credit facilities with banks. Borrowings for capital expenditures are financed through capital leases and long-term loans.

We have borrowings of ₹ 42,506 million (including lease liabilities to the extent of ₹ 3,902 million) as of March 31, 2026 out of which ₹ 15,885 million will be repaid within a period of 12 months. Interest outflow on existing borrowings for next year is expected to be ₹ 2,728 million. We utilized ₹ 4,649 million, out of ₹ 5,990 million available under our working capital facility during fiscal year 2025-2026. We have unutilized non-fund limit of ₹ 4,970 million as of March 31, 2026.

Our ongoing working capital requirements are significantly affected by the profitability of our operations, and we continue to periodically evaluate existing and new sources of liquidity and financing. We are taking steps to improve the cash position to meet our currently known requirements at least over the next twelve months. In light of the highly dynamic nature of our business, however, we cannot assure you that our capital requirements and sources will not change significantly in the future.

The Group has transitioned to SOFR (Secured Overnight Financing Rate) from LIBOR from June 30, 2023. The Group entered into interest rate swaps in order to hedge the cash flows arising out of the interest payments of the underlying external commercial borrowing. The period of the swap contracts are co-terminus with the period of the underlying external commercial borrowing. As per the terms of the swaps, the Group will pay a fixed rate of interest (8.9%) and receive a variable rate of interest equal to SOFR + 2.5% on notional amount.

### Compulsorily Convertible Debentures:

On November 1, 2021, Sify and SISL, a subsidiary of Sify in the business of providing data center services and operating the Company's data centers, entered into the KSSF DSA with Kotak Special Situations Fund KSSF under which KSSF invested ₹ 4,000 million (USD 48.65 million) as of March 31, 2023. Pursuant to the KSSF DSA, KSSF agreed to subscribe for two series of SISL's CCDs. KSSF subscribed for 20,000,000 Series 1 CCDs, each with a face value of ₹ 100, for an aggregate subscription amount of ₹ 2,000 million to be paid at the time of receipt of the Series 1 CCDs. KSSF also subscribed for 20,000,000 Series 2 CCDs, each with a face value of ₹ 100, for an aggregate subscription amount of ₹ 2,000 million, of which 1% was to be paid at the time of receipt of the Series 2 CCDs, and the remainder was to be paid between October 1, 2022, and March 31, 2023. Under the KSSF DSA, SISL also had the option to require KSSF to subscribe for additional CCDs in one or more tranches before October 1, 2026, for an aggregate subscription amount of up to ₹ 6,000 million (USD 72.98 million) upon written notice provided prior to October 31, 2023. The Series 1 CCDs and Series 2 CCDs bear interest at a rate of 6% per annum and include customary financial and operating covenants. SISL used the proceeds from the CCD subscriptions for the expansion of new data centers, including land acquisition for data centers, investment in renewable energy for data centers and repayment of debt.

On July 20, 2023, SISL and Sify entered into the KDCF DSA, and KDCF invested ₹6,000 million (approximately US\$ 72.23 million) in the form of compulsorily convertible debentures of SISL. Pursuant to the KDCF DSA, KDCF agreed to subscribe for two series of SISL's CCDs. KDCF subscribed for 48,000,000 Series 4 CCDs, each with a face value of ₹ 100, for an aggregate subscription amount of ₹ 4,800 million to be paid at the time of receipt of the Series 4 CCDs. KDCF also subscribed for 12,000,000 Series 5 CCDs, each with a face value of ₹ 100, for an aggregate subscription amount of ₹ 1,200 million to be paid at the time of receipt of the Series 5 CCDs. The Series 4 CCDs and Series 5 CCDs bear interest at a rate of 6% per annum and include customary financial and operating covenants. SISL used the proceeds from the CCD subscriptions for the expansion of new data centers, including land acquisition for data centers, investment in renewable energy for data centers and repayment of debt.

## Cash and cash equivalents:

Cash and cash equivalents comprise ₹4,098 million, ₹4,671 million and ₹ 3,619 million in bank accounts and ₹974 million, ₹1,761 million and ₹ 3,275 million in the form of bank deposits as on March 31, 2026, 2025 and 2024 out of which cash deposits in the form of margin money restricted for use by us amounts to ₹ 974 million, ₹ 454 million and ₹ 440 million. Cash on hand was ₹ 2 million, ₹ 2 million and ₹ 1 million as on March 31, 2026, 2025 and 2024.

Net cash generated from operating activities for the year ended March 31, 2026, was ₹ 7,176 million (US\$ 75.81 million). This is attributable to decreases in trade payables by ₹ 4,764 million (US\$ 50.33 million), in inventories ₹ 1,067 million (US\$ 11.27 million), in bank deposits ₹ 787 million (US\$ 83.15 million) and increases in trade receivable by ₹ 1,831 million (US\$ 19.34 million), increases in other assets by ₹ 1,411 million (US\$ 14.91 million), and due to payment of taxes by ₹ 650 million (US\$ 6.86 million).

Net cash generated from operating activities for the year ended March 31, 2025, was ₹ 8,647 million (US\$ 101.04 million). This is attributable to an increase in trade payables by ₹ 1,791 million (US\$ 20.93 million), an increase in inventories by ₹ 566 million (US\$ 6.62 million), an increase in trade receivables by ₹ 928 million (US\$ 10.85 million), an increase in other assets by ₹ 1,015 million (US\$ 11.86 million), and due to payment of taxes by ₹ 722 million (US\$ 8.43 million).

Net cash generated from operating activities for the year ended March 31, 2024, was ₹ 5,935 million (US\$ 71.19 million). This is attributable to increases in trade payables by ₹ 1,170 million (US\$ 33.91 million), an increase in inventories ₹ 1,451 million (US\$ 10.09 million) and a decrease in trade receivable by ₹ 831 million (US\$ 5.77 million), an increase in other assets by ₹ 1,305 million (US\$ 17.72 million), and due to payment of taxes by ₹ 1,285 million (US\$ 15.40 million).

Net cash used in investing activities for the year ended March 31, 2026, was ₹ 12,905 million (US\$ 136.34 million) primarily on account of additional expenditure on Data Center facilities, investment in renewable energy for data centers, upgradation of network backbone, and expansion of metro fiber to additional cities.

Net cash used in investing activities for the year ended March 31, 2025, was ₹ 12,324 million (US\$ 144.00 million) primarily on account of additional expenditure on Data Center facilities, investment in renewable energy for data centers, upgradation of network backbone, and expansion of metro fiber to additional cities.

Net cash used in investing activities for the year ended March 31, 2024, was ₹ 12,458 million (US\$ 149.42 million) primarily on account of additional expenditure on Data Center facilities, investment in renewable energy for data centers, upgradation of network backbone, and expansion of metro fiber to additional cities.

Net cash generated from financing activities for fiscal year 2026 was ₹ 5,159 million (US\$ 53.00 million). The increase is mainly due to borrowings amounting to ₹ 11,516 million (US\$ 121.66 million), proceeds from issue of shares including share premium under ESOP plan, amounting to ₹ 27 million (US\$ 0.29 million) received during the year, and an increase in short-term borrowings of ₹ 8,534 million (US\$ 90.16 million). The increase was significantly offset by repayment of long-term borrowings and lease liabilities of ₹ 10,735 million (US\$113.41 million) and ₹ 429 million (US\$ 4.54 million) respectively and finance expenses (including interest on lease liabilities) amounting to ₹ 3,754 million (US\$ 39.66 million).

Net cash generated from financing activities for fiscal year 2025 was ₹ 4,730 million (US\$ 55.27 million). The decrease is mainly due to borrowings amounting to ₹ 12,894 million (US\$ 150.66 million) and proceeds from issue of shares including share premium under ESOP plan and Rights Issue amounting to ₹ 2,532 million (US\$ 29.59 million) received during the year and proceeds from Non – Convertible Debentures (“NCDs”) ₹ 2,506 million (US\$ 29.28 million) received during the year. NCDs have been used for refinancing specific debt related to data center business resulting in extended time of repayment of borrowings. The increase in proceeds from financing activities was significantly offset by repayment of long-term borrowings and lease liabilities of ₹ 9,390 million (US\$109.72 million) and ₹ 279 million (US\$ 3.26 million) respectively and finance expenses (including interest on lease liabilities) amounting to ₹ 3,458 million (US\$ 40.41 million).

Net cash generated from financing activities for fiscal year 2024 was ₹ 7,442 million (US\$ 89.26 million). The increase is mainly due to borrowings amounting to ₹ 14,518 million (US\$ 174.14 million) out of which ₹ 6,000 million (US\$ 71.97 million) is on account of issuing CCDs to KDCF and proceeds from issues of shares including share premium under our ESOP plan ₹ 41.79 million (US\$ 0.5 million) received during the year. The increase was significantly offset by repayment of long-term borrowings, short-term borrowings and lease liabilities of ₹ 3,395 million (US\$40.72 million), ₹ 495 million (US\$5.93 million) and ₹ 377 million (US\$ 4.52 million) respectively, and finance expenses (including interest on lease liabilities) amounting to ₹ 2,851 million (US\$ 34.71 million).

**Summary of Contractual Cashflow of Long Term Obligations** in millions

As at March 31,	Carrying amount		Contractual cashflow		0-12 months		1-3 years		3-5 years		> 5 Years	
	INR	USD	INR	USD	INR	USD	INR	USD	INR	USD	INR	USD
2026	25,094	265.11	30,924	326.70	11,963	126.39	8,006	84.58	4,886	51.62	6,069	64.12
2025	20,925	244.50	27,624	322.78	7,192	84.04	8,020	93.71	6,366	74.39	6,046	70.65
2024	18,795	225.43	22,515	270.05	5,557	66.65	7,922	95.02	5,536	66.40	3,500	41.98

**Summary of Contractual Cashflow of Lease Liability** in millions

As at March 31,	Carrying amount		Contractual cashflow		0-12 months		1-3 years		3-5 years		> 5 Years	
	INR	USD	INR	USD	INR	USD	INR	USD	INR	USD	INR	USD
2026	3,902	41.22	10,852	114.65	805	8.50	1,527	16.13	791	8.36	7,729	81.66
2025	3,810	44.52	10,542	123.18	689	8.05	1,336	15.61	1,044	12.20	7,473	87.32
2024	3,043	36.50	8,589	103.01	588	7.05	774	9.28	531	6.37	6,696	80.31

**Capital expenditure**

We incurred capital expenditures of ₹ 11,956 million (US\$ 126.31 million) during the fiscal year ended March 31, 2026. The capital expenditures were funded out of internal accruals and bank borrowings. Also refer to section “Principal Capital Expenditures” under Item 4 for capital commitments as of March 31, 2026.

**Off-Balance Sheet Arrangements**

Performance and financial guarantees are provided by Sify on behalf of the subsidiary companies to the banks and NBFCs. These arrangements are sometimes referred to as a form of off-balance sheet financing. Please refer to Note 35 of the Notes to the Consolidated Financial Statements included in Item 18 of this Annual Report on Form 20-F.

**Research and development**

The Group does not have research and development activities and has also not undertaken any sponsored research and development activities.

**Trends**

The information is set forth under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Operating and Financial Review and Prospects”.

**Recent Accounting Pronouncements**

Certain new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after April 1, 2026 and have not been applied in preparing these consolidated financial statements. New standards, amendments to standards and interpretations that could have potential impact on the consolidated financial statements of the Group are disclosed in Note 3 to our Consolidated Financial Statements included in Item 18 of this Annual Report on Form 20-F.

**Material Accounting Policies, Estimates and Judgements**

Our accounting policies, estimates and judgements affecting our financial condition and results of operations are more fully described in Note 3 and Note 4 to our Consolidated Financial Statements included in Item 18 of this Annual Report on Form 20-F. Certain of our accounting policies require the application of judgment by management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

## Our sustainability vision and key highlights for the fiscal year ended March 31, 2026:

The Group's ESG reporting is aligned with GRI Standards, the BRSR Core framework, and the UN Sustainable Development Goals.

### 1. Sustainability as a Strategy:

The Group approaches sustainability not as a compliance exercise, but as an embedded dimension of how it builds, operates, and grows India's digital infrastructure. As companies whose core product — data centers — is inherently energy-intensive, the imperative to operate responsibly is not peripheral; it is central to the Group's license to grow and its long-term competitiveness.

Data centers globally account for approximately 1–1.5% of electricity consumption and around 1% of energy-related emissions. In India, where digital adoption is accelerating fastest, these numbers will only grow. Sify recognizes that the organizations and hyperscalers choosing their infrastructure partners are increasingly doing so on the basis of ESG alignment — sustainable energy usage, carbon transparency, and responsible operations are now core decision criteria, not differentiators.

This philosophy translates into deliberate, long-term action. The Group has structured its sustainability ambitions across three time horizons: near-term operational improvements underway today, a carbon-neutral operations target, and full alignment with India's national net-zero commitment by 2070. These are not aspirational statements — they are anchored in concrete investments and a governance structure with direct board-level accountability.

#### 1.1. Materiality Assessment:

The Group's sustainability agenda is anchored in a structured materiality assessment that identifies the most critical ESG topics based on stakeholder impact and business relevance. Twelve key material topics were identified through engagement with employees, investors, clients, service providers, regulators, and policy influencers, and categorized across the Economy, Environment, Social, and Governance dimensions. These are tracked against a baseline of FY 2022 using defined KPIs.

Economy	Environment	Social	Governance
Financial performance & value creation	Energy efficiency & management	Diversity, equity & inclusion	Ethical business conduct
Customer delight & retention	GHG emissions & climate action	Employee health, safety & wellbeing	Data privacy & IT security
Procurement & supply chain	Water management	Community engagement & CSR	Risk management & compliance

### 2. Environmental Stewardship:

#### 2.1 The Energy Transition:

The single largest lever Sify controls in its environmental impact is the source and efficiency of its energy. Data centers require uninterrupted, high-reliability power, and historically, that has meant dependence on grid electricity supplemented by diesel generators. Sify is systematically reengineering this equation.

The Group's journey toward clean energy began at the group level as far back as 2013, making it an early mover in a sector that is only now broadly embracing renewable integration. What started as renewable sourcing for ancillary loads has progressively expanded to support mission-critical workloads — a significant operational threshold that reflects growing confidence in grid integration maturity and the stability of long-term power purchase agreement ("PPAs").

Today, the Group has secured one of India's largest contracted renewable portfolios among colocation data center operators, with renewable capacity locked in through long-term PPAs providing over 309 MW. At its flagship Mumbai campuses, the majority (up to 60%) of power consumed is now drawn from renewable sources, mainly from a combination of solar and wind energy, and the Group is actively investing to extend this coverage across all campuses. These PPAs do more than reduce the carbon footprint: they provide long-term energy price visibility, reduce exposure to volatile grid tariffs, and directly address the decarbonization requirements that hyperscalers and enterprise clients increasingly embed in their vendor selection criteria.

The Group manages its renewable energy portfolio through a purpose-built monitoring platform that aggregates live data from solar panels, wind turbines, and battery storage systems across locations. The dashboard provides real-time visibility into generation, consumption, and storage, triggers alerts for system anomalies, and tracks carbon savings against targets, ensuring that the Group's sustainability commitments are underpinned by transparent, continuous measurement.

## **2.2 Climate Action:**

The Group measures and discloses its greenhouse gas emissions across both Scope 1 (direct emissions from diesel generators and on-site fuel use) and Scope 2 (indirect emissions from purchased electricity). Scope 1 emissions declined meaningfully year-over-year, reflecting both the operational efficiency improvements described above and a reduction in diesel generator reliance as renewable integration deepened. Emissions intensity per unit of revenue also improved, demonstrating that growth and decarbonization are being pursued in tandem rather than in tension.

The increase in absolute Scope 2 emissions reflects the Group's significant capacity expansion during the year — commissioned IT power grew substantially — and is the expected consequence of scaling a power-intensive business in a market with grid-dependent energy. The strategic response is precisely the renewable energy investment program described above: growing the clean share of the energy mix faster than total consumption grows.

Cumulatively, Sify estimates that over 530,000 tonnes of carbon dioxide equivalent emissions have been avoided through renewable energy in key campuses in Mumbai usage until June 10, 2026. This figure is tracked through an independent, third-party designed monitoring platform, ensuring that the avoided emissions claim is verifiable and not self-reported.

## **2.3 Water as a Shared Resource:**

Sify has made a deliberate architectural choice to deploy closed-loop, air-cooled chiller systems at its facilities, which significantly reduces the need for continuous water replenishment compared to conventional approaches. The Group has also integrated a Building Management System connected automated makeup water systems with pressure regulation and leak detection, ensuring that consumption is controlled and waste is caught early.

Across owned facilities, the Group operates sewage treatment plants ("STPs") that treat wastewater and enable its reuse for non-potable purposes such as toilet flushing and irrigation. Where dedicated STPs are unavailable, shared treatment infrastructure managed by building authorities ensures compliant disposal. Water conservation measures at facilities include sensor-based taps, faucet aerators, rainwater harvesting systems with purpose-built catchment areas, and employee awareness campaigns.

Forward plans include the implementation of zero-discharge water systems across new and existing facilities — a standard that eliminates freshwater discharge entirely by treating and recycling all water consumed on-site. This ambition reflects both the Group's resource stewardship commitment and the anticipation of tightening regulatory standards for industrial water use.

As a result of these measures, approximately 96.49% of water used in Sify's data center facilities is recycled and reused.

## 2.4 Responsible Resource Cycles:

Sify's approach to waste management is grounded in two principles: nothing goes to landfill, and every material stream is managed through authorized, regulated channels. All waste generated across the Group's establishments — from construction debris to electronic equipment — is segregated at the source and routed through government-authorized recyclers and vendors. Electronic waste, which includes servers, IT equipment, and components reaching end-of-life, is handled through PCB-authorized recyclers and OEM take-back programs, ensuring that valuable materials are recovered and hazardous substances are contained.

The Group manages its recycling vendor ecosystem through a software-enabled platform that provides transparency into waste streams, vendor compliance, and material recovery rates. This approach embeds accountability into the supply chain for waste, not just the supply chain for goods. Beyond disposal, the Group is actively extending asset lifecycles through preventive maintenance programs, the adoption of longer-lasting battery technologies, and internal component recovery and reintegration initiatives.

<b>Material Recovery Rate</b>	<b>96%</b>
<b>Waste Sent to Landfills</b>	<b>0 kgs</b>

## 2.5 Environmental Certifications and Standards:

Sify maintains and targets a comprehensive portfolio of environmental certifications across its data center campuses:

<b>Certification / Standard</b>	<b>Scope</b>	<b>Significance</b>
ISO 14001:2015 — Environmental Management	All data center campuses	International standard for environmental management systems
IGBC Green Building — Platinum Rating	All new facilities	India's highest green building certification; mandatory for all new SISL campuses
TIA-942 Rated 3 / Rated 4	Key campuses	International data center design standard covering power, cooling, security
ISO 45001:2018 — Occupational Health & Safety	All operational locations	World's international standard for occupational health and safety
Green Champion Award	Corporate	Awarded by IGBC, 2025, for sustainability leadership in data center operations
Times Now Data Center Sustainability Award	Corporate	Recognized for sustainable infrastructure practices, 2024

### **3. Social Commitments**

#### **3.1 Building a Future-Ready Workforce**

Sify operates in a sector undergoing rapid transformation from conventional colocation to AI-ready hyperscale infrastructure, from static cooling to precision liquid systems, from manual operations to AI-enabled facility management. The workforce that will deliver this evolution must itself be continuously developing. The Group's investment in people is therefore not a welfare consideration separate from strategy; it is a direct enabler of operational performance and competitive differentiation.

Learning and development at Sify is structured, role-aligned, and accessible across all levels of the organization. The Company's Learning Management System was significantly enhanced during the year — upgraded with mobile learning capability, self-service progress dashboards, and integrated training hour tracking — making development resources available to employees on their terms. Technical training is delivered through a combination of instructor-led programs, OEM-supported workshops, and e-learning module. Leadership development programs, including Situational Leadership, Design Thinking, and Coaching Skills for Leaders, build the management bench alongside the technical workforce.

The Group also invests in building its talent pipeline from the source: campus recruitment from engineering institutions and top management institutes, direct trainee intake, and a Thought Leadership blog program that develops internal expertise and organizational knowledge in equal measure.

#### **3.2 A Safe and Inclusive Workplace**

Safety at Sify is a commitment embedded in operating culture. The Group maintains an ISO 45001-aligned Occupational Health and Safety Management System covering all employees, contractors, and vendors and requiring the same standards of all parties regardless of their employment relationship. Facilities are equipped with comprehensive emergency response infrastructure, regular safety training and drills are conducted at all sites, and a structured EHS framework governs hazard identification, near-miss reporting, and corrective action. The Group recorded zero work-related injuries requiring lost time during fiscal year 2025–2026 and zero health and safety complaints across all operational locations.

Inclusion is approached as both a values commitment and an organizational capability. The Group recognizes that diverse perspectives — across gender, background, and ability — produce better outcomes in engineering, problem-solving, and client service. Efforts to build a more representative workforce are ongoing, with structured hiring initiatives, campus outreach, and internal awareness programs working in parallel. The Group also supports employees through an Employee Assistance Program in partnership with Know Your Mind Private Limited (TRIJO), providing confidential access to psychologists and counsellors for both personal and professional concerns — a benefit that extends to employees' immediate family members as well.

The Company's Prevention of Sexual Harassment policy is actively enforced, with a constituted Internal Committee, regular training programs, and zero-tolerance standards clearly communicated across the organization. A structured Grievance Redressal Mechanism ensures that concerns raised by employees are addressed transparently and within defined timelines. The Group recorded no incidents of child or forced labor, and no complaints related to working conditions, during the year.

#### **3.3 Community Impact:**

Sify's commitment to the communities in which it operates is expressed through a Corporate Social Responsibility ("CSR") program that focuses on healthcare access, livelihood development, hunger eradication, and environmental sustainability. The Group partners with credible implementing organizations to ensure that CSR investment translates into structured, accountable program delivery and sustained engagement with communities that have limited access to services and infrastructure.

The Raju Vegesna Foundation works on ecological restoration, water access, and safe drinking water initiatives — areas that directly mirror the Group's own internal commitment to environmental stewardship.

Employee volunteering is embedded in the CSR model: the Group's programs are structured to engage employees directly in the communities they serve, not merely as financial contributors. Governance of CSR activities is maintained through internal review mechanisms, transparent expenditure reporting in statutory filings, and close monitoring of fund utilization against approved CSR objectives.

## **4 Governance and Transparency**

### **4.1 The Governance Foundation**

Sify's governance framework reflects the conviction that transparency, accountability, and ethical conduct are not constraints on performance but foundations of it. The Board of Directors holds ultimate oversight of strategy, risk, and ethical conduct, with specialist committees providing deeper review in audit, nomination, and risk domains. Day-to-day compliance is managed by a dedicated internal compliance team, and multi-layer audit coverage, including internal auditors, statutory auditors, and a secretarial auditor, which provides independent assurance on the integrity of the Group's processes.

### **4.2 Ethics and Accountability**

The Company's Whistleblower Policy and Vigil Mechanism provide multiple channels for confidential and, where necessary, anonymous reporting of unethical behaviour, accounting irregularities, or code of conduct violations. Employees and directors are protected from victimization for raising genuine concerns, and the policy is backed by a structured complaint management framework with defined escalation paths. During fiscal year 2025–2026, no personnel was denied access to the Audit Committee, and no environmental, social, or ethical violations were recorded.

Anti-bribery and anti-corruption standards are embedded in the Group's Code of Conduct and reinforced through regular training. These same standards are extended to the supply chain through the Supplier Code of Conduct, ensuring that ethical business practices are a condition of commercial partnership, not merely an internal expectation.

### **4.3 ESG Disclosure and Assurance**

The Group has adopted a transparent, multi-framework approach to sustainability reporting. Sify has been reporting on the 6 Capitals in its Integrated Report and ESG Disclosures in its Sustainability Report. SISL voluntarily prepares a full BRSR in alignment with SEBI's prescribed format and the Revised Guidance Standards on BRSR Core issued in December 2024.

As Sify prepares for broader capital market engagement, the quality and credibility of its ESG disclosures are directly relevant to investor confidence, lender relationships, and client trust. Reporting aligned with GRI, BRSR Core, and the UN SDGs ensures that the Group's sustainability performance can be evaluated against the frameworks that institutional investors and global clients rely upon.

## Item 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### Directors and Executive Officers with Diversity Statistics

The following table sets forth the name, age and position of each director and senior management of our Company as of March 31, 2026:

Name	Age	Designation
Mr. Raju Vegesna (3)	66	CEO, Chairman & Managing Director
Mrs. Vegesna Bala Saraswathi (3)	61	Director, Chairperson of Corporate Social Responsibility Committee
Mr. Arun Seth (1) (2)	74	Independent Director & Chairman of Audit Committee
Dr. Ram Sewak Sharma (1) (2) (4)	70	Independent Director & Chairman of Compensation / Nomination and Remuneration Committee
Mrs. Padmaja Chunduru (1)	64	Independent Director
Dr. Thomas Michael Bradicich (2) (3)	67	Independent Director
Mr. M P Vijay Kumar	56	Executive Director and Chief Financial Officer
Mr. C R Rao	65	Chief Operating Officer

- (1) Member of the Audit Committee.
- (2) Member of the Compensation / Nomination and Remuneration Committee.
- (3) Member of the Corporate Social Responsibility Committee.
- (4) Appointed on June 20, 2025, Member of the Audit Committee, Chairman of the Compensation / Nomination and Remuneration Committee.

Mr. Raju Vegesna, CEO, Chairman and Managing Director, has served as a Director of our Company since November 2005. He was appointed as the Chief Executive Officer and Managing Director of the Company effective July 18, 2006. Mr. Raju Vegesna is a Silicon Valley entrepreneur who founded several leading-edge technology companies, including Server Works Corporation, acquired by Broadcom in 2001. After that acquisition he had a brief stint with Broadcom. He holds a BS in Electrical Engineering from the University of Bangalore and holds an MS in Computer Engineering from Wayne State University, USA, and holds several patents in Microprocessor and Multiprocessor technology. He is also the Director of Ramanand Core Investment Company Private Limited, Raju Vegesna Infotech & Industries Private Limited, Sify Infnit Spaces Limited, Sify Digital Services Limited and Sify Technologies North America Corporation.

Mrs. Vegesna Bala Saraswathi, spouse of Mr. Raju Vegesna, CEO, Chairman and Managing Director, serves as Director of our Company since July 2015. Mrs. Vegesna Bala Saraswathi is a Commerce Graduate, Associate Course Work in Computer Skills (US) and Associate Course Work in US Federal and State Taxes (US). She is also the Director of Raju Vegesna Foundation (USA), Ramanand Core Investment Company Private Limited, Raju Vegesna Infotech & Industries Private Limited, Sify Infnit Spaces Limited and Sify Digital Services Limited.

Mr. Arun Seth, an alum of the La Martiniere school, Indian Institute of Technology, Kanpur and Indian Institute of Management, Calcutta, is recognized as among the earliest Indian Telecom leaders. He has been a founding Charter Member of TiE Delhi and Indian Angel Network and advises/mentors a number of start-ups in the tech space in India and USA. An active evangelist of the Software product eco-system, he co-chairs the NASSCOM Product Conclave and the NASSCOM Product Council. He had earlier served on the Executive Council of NASSCOM for more than 10 years when in British Telecom and Alcatel. He is also the Director of Jubilant Pharmova Limited, Jubilant Ingrevia Limited, Dixon Technologies Limited, Sify Infnit Spaces Limited and Sify Digital Services Limited.

Dr. Ram Sewak Sharma is an Independent Director on the Board of our Company. He holds a bachelor's degree in science from University of Allahabad, a master's degree in science (mathematics) from the Indian Institute of Technology, Kanpur, a master's degree in science (computer science) from University of California, Riverside, a degree of doctor of philosophy from Indian Institute of Technology, Delhi and a degree of doctor of science from Shri Mata Vaishno Devi University. He has also been enrolled as an advocate with the Bar Council of Delhi. He has over 35 years of experience in administration services. He was an Indian administrative service officer and has previously served as chairperson of Telecom Regulatory Authority of India, secretary at Department of Electronics and Information Technology and Department of Telecommunication, Ministry of Communications and Information Technology, and director general and mission director at Unique Identification Authority of India. He has been awarded the Distinguished Alumni award by Indian Institute of Technology, Kanpur. He is also the Director of Voith Paper Fabrics India Limited, Tanla Platforms Limited, Sify Infnit Spaces Limited and IITK Foundation for Medical Research and Technology.

Mrs. Padmaja Chunduru is a seasoned financial services executive with over 40 years of banking and capital markets experience in India and USA. She has led iconic institutions, NSDL (National Securities Depository Ltd.) and Indian Bank as the MD&CEO. As Deputy Managing Director, SBI (State Bank of India) she led digital banking services and also served as the Country Head, US Operations. She has been on Boards of LIC (Life Insurance Corporation of India), NPCI (National Payments Corporation of India), ISSA (International Securities Services Association) and ACG (Asia Pacific Central Depository Group), Institute of International Bankers and Asia Society, New York. Currently she is a member of the Insurance Advisory Committee of IRDAI (Insurance Regulatory and Development Authority of India) and the CCGS Advisory Council, IIMB. (Centre for Corporate Governance and Sustainability, IIM Bangalore). She has been awarded Best CEO (BFSI) for 2021 by Business Today and Best CEO 2021 for Women Leadership by Economic Times. She has been acknowledged as one of the Most Powerful Women (MPW) in Business by Fortune India and Business Today, for the years 2022 and 2023. She is also the Director of SBI Ventures Limited, The Clearing Corporation of India Limited, Atul Limited, Sify Infinit Spaces Limited, Bajaj General Insurance Company Limited, Bajaj Life Insurance Company Limited, Brigade Enterprises Limited and Mahindra and Mahindra Financial Services Limited.

Dr. Thomas Michael Bradicich previously served on several boards, including that of Aspen Technology (AZPN), a publicly traded industrial software company, and the Advisory Boards of Spark Cognition, an AI software company and a social media and silicon chip start-up. His professional career was spent in global leadership roles at Fortune 500 IT companies such as IBM and HPE where he and his team developed and launched dozens of software and systems products, received many patents, and conceived the trademarks HPE Edgeline™ Systems, IBM xArchitecture™ Systems, IBM MXT™ Memory, and National Instruments Big Analog Data™ Solutions. He was three times named CRN's Top 100 Executives and Top 25 Disrupters, elected to the IBM Academy of Technology, honored as a Life Member of the IEEE, and inducted into the North Carolina State University Alumni Hall of Fame. Active in charity work, he served as executive sponsor to The Salvation Army, and founded sockrelief.com, serving the homeless and children in need. He is a recipient of many awards, including the IBM Chairman's Award, CRN Product of the Year, Frost & Sullivan Best Practice, Gartner Magic Quadrant Leader, Network World Product of the Year, Mobile World Congress Best of Show and Automation World Leadership Award.

Mr. M P Vijay Kumar is the Executive Director and CFO of the Company. He is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India, Fellow Member of the Institute of Company Secretaries of India and Associate member of the Institute of Cost and Works Accountants of India. He was appointed as a Whole-time Director of the Company on November 14, 2022. He currently serves as a Member on the IFRS Interpretation Committee of International Accounting Standards Board and IFRS Advisory Council of the IFRS Foundation, London. His distinguished career has been embellished with National and International awards, the latest being inducted into the Hall of Fame of IMA's CFO Collective, the BusinessWorld CFO of the Year for 2021. He is also an Independent Director on the Boards of Wheels India Limited, ONGC Petro Additions Limited, Geojit Investments Limited, Mahindra and Mahindra Limited and Heritage Foods Limited.

Mr. C R Rao, the Chief Operating Officer, has served as Vice President - Head HR & Administration since March 2009. He is a Graduate in Commerce and Law and also holds an MBA. He comes with an overall experience of close to three decades in Strategic Planning and Operations Management. Prior to joining Sify, he was with GSA Lufthansa as Vice President, responsible for Tamil Nadu and Andhra Pradesh. His key responsibilities included Strategic Planning, Business Development, Sales and Marketing for the Cargo division. He is also the Whole-time Director of Sify Infinit Spaces Limited and Director of Ramanand Core Investment Company Private Limited, Raju Vegesna Infotech & Industries Private Limited, Sify Digital Services Limited and Sify Data and Managed Services Limited.

Infinity Capital Ventures, LP beneficially owned 7.56% of our equity shares as of March 31, 2026. This shareholder is a party to the Subscription Agreement dated November 10, 2005 with our Company. The Subscription Agreement provides that, among other things, the Company shall appoint Mr. Raju Vegesna as the Chairman of the Board of Directors, Infinity Capital shall also nominate another person to the Board of Directors and so long as Infinity Capital continues to own at least 10% of the Company's outstanding Equity Shares, the Company shall not enter into any agreement pursuant to which it would provide a third party with registration rights for Company securities, without the consent of Infinity Capital. In November 2005, Mr. Raju Vegesna, a nominee of Infinity Capital Ventures, LP, was appointed as Chairman of our Board of Directors. In February 2006, the Company also appointed Mr. P S Raju as the second nominee of Infinity Capital to the Board of Directors. Consequent to the resignation of Mr. P S Raju, as a director effective May 31, 2015, Mrs. Vegesna Bala Saraswathi was appointed as an additional Director effective July 22, 2015, of our Company as a Nominee. Further, she was elected by shareholders as a Director at the Annual General Meeting held on July 4, 2016.

Infinity Satcom Universal Private Limited (ISUPL) beneficially owned 1,45,30,000 (3.35%) of our equity shares and Raju Vegesna Infotech & Industries Private Limited (RVIPL) beneficially owned 1,98,13,689 (4.56%) of our equity shares aggregating to 3,43,43,689 (7.91%) of our equity shares as of March 31, 2025. As a result of merger of ISUPL with RVIPL, 1,45,30,000 equity shares previously held by ISUPL are transferred to RVIPL. Effective April 3, 2025, RVIPL directly holds 3,43,43,689 (7.90%) of our equity shares. RVIPL is presently controlled by Mr. Raju Vegesna.

**Board Diversity Matrix:**

Particulars	Details
Country of Principal Executive Offices "Home Country"	India
Foreign Private Issuer	Yes
Disclosure Prohibited Under Home Country Law	No
Total Number of Directors	7

**Part I: Gender Identity**

Particulars	Female	Male	Non-Binary	Did Not Disclose Gender
Directors	2	5	-	-

**Part II: Demographic Background**

Particulars	Details
Underrepresented Individual in Home Country Jurisdiction	-
LGBTQ+	-
Did Not Disclose Demographic Background	-

**Director Compensation**

Our Articles of Association provide that each of our directors may receive a sitting fee not exceeding the maximum limits prescribed under the provisions of the Indian Companies Act, 2013. Accordingly, our Directors, other than the Chairman and Managing Director and Executive Director, have been receiving ₹ 75,000 for each committee meeting and ₹ 100,000 for each Board meeting attended by them.

Mr. Raju Vegesna, who is our CEO, Chairman and Managing Director, does not receive any compensation for his service on our Board of Directors.

Mr. M P Vijay Kumar, Executive Director and Chief Financial Officer will be receiving the remuneration as per the limit prescribed under the provisions of Indian Companies Act, 2013 and the same was approved by the Shareholders at their Annual General Meeting held on August 25, 2023. Members are requested to refer the Officer Compensation section for the details.

Directors are reimbursed for travel and out-of-pocket expenses in connection with their attendance at Board and Committee meetings.

**Officer Compensation**

The following table sets forth all compensation paid by us during the fiscal year ended March 31, 2026, to our executive officers:

Name	Summary Compensation Table (₹in million)	
	Salary	Bonus (Performance based incentive)
M P Vijay Kumar	20	-
C R Rao	18	8

As per the service contracts entered into with the employees (including executive officers), the Company provides the following retirement benefits: (a) Provident fund contributions and (b) Gratuity.

Provident fund contribution is a defined contribution plan governed by a statute in India. Under this, both employer and employee make monthly contributions (determined in relation to the basic salary of the respective employees) to a fund administered by the GOI.

Gratuity is a defined benefit retirement plan covering all employees and provides for lump sum payment to employees at retirement or termination (computed based on the respective employees last drawn basic salary and years of employment with the Company). Liability for gratuity is accrued based on an actuarial valuation on an overall Company basis.

The Directors (who are not executive officers) are not entitled for any remuneration, other than standard director attendance fees, including any pension, retirement, or similar benefit schemes.

The details of our contribution to provident fund in respect of the executive officers are set out below:

Name	₹ in million
M P Vijay Kumar	1.00
C R Rao	1.00

Gratuity expense is determined at an overall Company level based on an actuarial valuation performed by an independent actuary. Thus, the cost for the year ended March 31, 2026 in respect of gratuity and compensated absences towards executive officers of the Company were not separately determined. Gratuity cost relating to such executive officers is not estimated to be material.

We make bonus payments to employees including executive officers upon satisfactory achievement of the following two performance criteria.

(i) Performance of the Company: Represents bonus payable on achievement of overall revenue and net profit targets for the Company.

(ii) Performance of the individual: Represents bonus payable on achievement of the individual's Key Responsibility Areas ("KRAs") and Key Performance Indicators ("KPIs"). These KRAs and KPIs vary in relation to each employee including executive officers and include both financial and non-financial parameters.

We have provided for ₹ 410 million (US\$ 4 million) towards bonus payable for the year ended March 31, 2026 to employees including executive officers who have achieved the KRAs and KPIs.

A total of 1.65 million options were allotted to executive officers as part of ASOP 2014 plan during fiscal year 2015. Further, 1.35 million options were allotted to executive officers during fiscal year 2019.

## Board Composition

Our Articles of Association sets the minimum number of directors at three and the maximum number of directors at twelve. We currently have seven directors on the Board. The Indian Companies Act require the following:

- at least two-thirds of our directors shall be subject to retire by rotation by our shareholders; and
- at least one-third of our directors who are subject to retire by rotation shall be up for re-election at each annual meeting of our shareholders.

However, the Managing Director, Executive Director and Independent Directors are not liable to retire by rotation.

On July 3, 2024, Dr. Ajay Kumar was appointed as an Independent Director of the Company at the AGM held on July 3, 2024, for a period of five consecutive years effective July 3, 2024 to comply with the applicable NASDAQ rules. Dr. Kumar was an independent director, a member of the Board's audit committee, and Chairman of the Board's compensation/nomination and remuneration Committee. Dr. Kumar resigned his membership on the Board of Directors and committees with immediate effect on May 15, 2025. His resignation was not the result of any dispute or disagreement with the Company, its management, or the Board regarding the Company's operations, policies, or practices. On May 21, 2025, the Company notified NASDAQ of Dr. Kumar's resignation, and the resultant non-compliance with Nasdaq Listing Rule 5605(b)(1), requiring that the majority of the Board be composed of independent directors, and Nasdaq Listing Rule 5605(c)(2), requiring that there be at least three members of the Board's audit committee. The Company indicated its intent to rely on the cure periods in Nasdaq Listing Rules 5605(b)(1)(A) and 5605(c)(4)(B).

On June 5, 2025, the Company received a letter from the Listing Qualifications Department of NASDAQ indicating that, due to Dr. Kumar's resignation, the Company no longer complied with NASDAQ's independent director and audit committee requirements as set forth in Listing Rule 5605. In its letter, NASDAQ also indicated that, consistent with Listing Rules 5605(b)(1)(A) and 5605(c)(4), the Company would be provided with a cure period to regain compliance. On July 8, 2025, the Company received a letter from the Listing Qualifications Department of NASDAQ notifying the Company that it had regained compliance with the continued listing requirements under Nasdaq Listing Rules 5605(b)(1) and 5605(c)(2).

On June 20, 2025, Dr. Ram Sewak Sharma was appointed to the Board as an Independent Director, as a member of the audit committee of the Board, and as Chairman of the compensation/nomination and remuneration committee of the Board, to comply with the applicable NASDAQ rules. His appointment was subsequently approved by the shareholders at the Annual General Meeting of the Company held on August 14, 2025.

## Term of Directors

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Mr. Raju Vegesna, CEO, Chairman & Managing Director	Appointed as Chairman & Managing Director for a period of five years effective July 18, 2009, Mr. Raju Vegesna was subsequently appointed as the Chairman & Managing Director of the Company at the Annual General Meeting of the Company under Section 203 of the Companies Act, 2013 for a period of five years, effective from July 18, 2024, without any remuneration from the Company. His appointment was also approved by the Central Government.
Mrs. Vegesna Bala Saraswathi, Chairperson of Corporate Social Responsibility Committee	<p>Appointed as an Additional Director on July 22, 2015. As per the Indian Companies Act, 2013, she was elected by the shareholders at the Annual General Meeting held on July 4, 2016. Further, as per the Act, she will retire by rotation in the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.</p> <p>Pursuant to the recommendation of the Nomination &amp; Remuneration Committee, the Board of Directors reappointed Mrs. Vegesna Bala Saraswathi, Non-Executive Director of the Company, which was approved by the shareholders at the Annual General Meeting held on August 14, 2025.</p>
Mr. M P Vijay Kumar	Based on the recommendation of Nomination and Remuneration Committee, Mr. M P Vijay Kumar was appointed as Whole-time Director of the Company for a period of 5 (Five) years from November 14, 2022, on a remuneration and on such terms and conditions with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board of Directors and Mr M P Vijay Kumar and the proposal for appointment and the payment of remuneration was approved by the Members at their Annual General Meeting held on August 25, 2023.
Mr. Arun Seth, Chairman of Audit Committee	<p>Mr. Arun Seth was appointed as an Independent Director effective October 22, 2018, approved by the members to hold office for a period of five consecutive years from the conclusion of annual general meeting held on July 5, 2019.</p> <p>As per the provisions of Indian Companies Act, 2013, an Independent Director is eligible for re-appointment for another term of five consecutive years, subject to approval of the shareholders. In accordance with these provisions, Mr. Arun Seth was re-appointed as an Independent Director for a further period of five consecutive years effective July 5, 2024.</p>
Dr. Thomas Michael Bradicich	Appointed as an Additional Director (Independent) with effect from July 5, 2024 for a term of 5 (Five) years, which was approved by the shareholders at the Annual General Meeting held on August 14, 2025.
Mrs. Padmaja Chunduru	Appointed as an Additional Director (Independent) with effect from October 12, 2024 for a term of 5 (Five) years, which was approved by the shareholders at the Annual General Meeting held on August 14, 2025.
Dr. Ram Sewak Sharma, Chairman of Compensation / Nomination and Remuneration Committee	Appointed as an Additional Director (Independent) with effect from June 20, 2025 for a term of 5 (Five) years, which was approved by the shareholders at the Annual General Meeting held on August 14, 2025.

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The Company has service contracts with Mr. Raju Vegesna, CEO, Chairman and Managing Director. The service contracts with Mr. Raju Vegesna do not provide for any remuneration or benefits either during or upon termination of employment.

For other non-executive Directors, the Company does not have any service contract and such directors' term is governed by the Indian Companies Act, 2013.

The Company does not have any service contract with the other Senior Executives of its administrative, supervisory or management bodies. Such senior executives' appointment does not have any specific term and can be terminated by either party based on the terms of the appointment.

### **Board Committees**

Details relating to Audit, Compensation/Nomination and Remuneration, and Corporate Social Responsibility and Nominating Committees of our board are provided below:

#### **Audit Committee**

Our Audit Committee is currently composed of three independent directors, as determined under applicable NASDAQ rules. The Audit Committee currently consists of:

- Mr. Arun Seth
- Mrs. Padmaja Chunduru and
- Dr. Ram Sewak Sharma

The primary objective of the Audit Committee is to monitor and provide effective supervision of our financial reporting process with a view towards ensuring accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting. Our Audit Committee oversees the work carried out in the financial reporting process by our management, including the internal auditors and the independent auditor and reviews the processes and safeguards employed by each. In addition, our Audit Committee has the responsibility of oversight and supervision over our system of internal control over financial reporting, audit process, and process for monitoring the compliance with related laws and regulations. The Audit Committee recommends to our Board the appointment of our independent registered auditors and approves the scope of both audit and non-audit services. All members of the Audit Committee meet the independence requirements and majority of them meet financial literacy requirements as defined by applicable NASDAQ and SEC rules. The Company appointed Dr. Ram Sewak Sharma, a new independent director to fill the vacancy left by Dr. Ajay Kumar in the Audit Committee.

The Audit Committee held five meetings in video conference during fiscal year 2025-2026.

The Audit Committee has adopted a Charter and it is reviewed annually.

#### **Compensation / Nomination and Remuneration Committee**

Our Compensation Committee / Nomination and Remuneration Committee consists currently of three independent directors as determined under applicable NASDAQ rules, and consists of:

- Dr. Ram Sewak Sharma
- Mr. Arun Seth and
- Dr. Thomas Michael Bradicich

The Compensation Committee of the Board of Directors determines the salaries, benefits and stock option grants for our employees, consultants, directors and other individuals compensated by our Company. The Compensation Committee also administers our compensation plans. The Compensation Committee has adopted a Charter, which is reviewed annually.

The Compensation Committee held four meetings in video conference during fiscal 2025-2026.

The purpose of Nomination and Remuneration Committee is to oversee nomination process for top level management and specifically to identify, screen and review individuals qualified to serve as our Executive Directors, Non-Executive Directors and Independent Directors consistent with criteria approved by our board and to recommend, for approval by our board, nominees for election at our annual general meeting of shareholders.

On July 22, 2015, the Nomination and Remuneration Committee reviewed and recommended the appointment of Ms. Vegesna Bala Saraswathi as an additional Director of the Company who holds office up to the Annual General Meeting. Further, she was elected by shareholders as a Director at the Annual General Meeting held on July 4, 2016, Further, as per the Act, she retires by rotation and eligible for re-election. She was re-elected at the Annual General Meeting held on August 14, 2025. The Nomination and Remuneration Committee has adopted a charter.

On October 22, 2018, the Nomination and Remuneration Committee reviewed and recommended the appointment of Mr. Arun Seth as an additional Director of the Company who shall hold office up to the ensuing Annual General Meeting scheduled on July 5, 2019. After the election, he was appointed as an Independent Director of the Company for a period of five years effective July 5, 2019. Mr. Arun Seth was re-appointed as an Independent Director for a further period of five consecutive years effective July 5, 2024 approved by the shareholders at the annual general meeting held on July 3, 2024.

On November 2, 2022, the Nomination and Remuneration Committee reviewed and recommended the appointment of Mr M P Vijay Kumar as Whole-time Director (Additional) of the Company for a period of 5 (Five) years from November 14, 2022, on a remuneration and on such terms and conditions with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board of Directors and Mr. M P Vijay Kumar and the proposal for appointment and the payment of remuneration was approved by the Members at their Annual General Meeting held on August 25, 2023.

Dr. Ajay Kumar was appointed as a director designated as an Independent Director by the shareholders at the AGM held on July 3, 2024, for a period of five consecutive years effective July 3, 2024 and resigned from the Company on May 15, 2025.

Dr. Thomas Michael Bradicich was appointed as an Additional Director of the Company designated as Independent Director of the Company with effect from July 5, 2024 for a term of 5 (Five) years, which was approved by the shareholders at the annual general meeting of the Company held on August 14, 2025.

Mrs. Padmaja Chunduru was appointed as an Additional Director (Independent) with effect from October 12, 2024 for a term of five years, which was approved by the shareholders at the annual general meeting of the Company held on August 14, 2025.

The Company appointed a new independent director to fill the vacancy left by Dr. Ajay Kumar in the Compensation/ Nomination and Remuneration Committee. Dr. Ram Sewak Sharma was appointed as an Additional Director of the Company designated as Independent Director of the Company with effect from June 20, 2025 for a term of 5 (Five) years, which was approved by the shareholders at the annual general meeting of the Company held on August 14, 2025.

The Compensation / Nomination and Remuneration Committee serves the function of our Compensation Committee and the Nomination and Remuneration Committee for purposes of the NASDAQ Rules.

### **Corporate Social Responsibility Committee**

As per Section 135 of the Indian Companies Act, 2013, the Company is required to spend 2% of the average net profits from the three preceding financial years to Corporate Social Responsibility (CSR) activities. For this purpose, the Board has constituted the Corporate Social Responsibility Committee (CSR). Further, the Board of Directors of the Company appointed Mrs. Vegesna Bala Saraswathi as a Member of CSR Committee at their meeting held on January 24, 2022.

The CSR committee consists of the following Members:

- Mrs. Vegesna Bala Saraswathi
- Mr. Raju Vegesna and
- Dr. Thomas Michael Bradicich

The purpose of the CSR Committee is to monitor the implementation of the CSR projects or programs or activities undertaken by the Company. A responsibility statement shall be signed by the CSR Committee confirming compliance with the CSR objectives and Policy of the Company. The Committee shall submit its report to the Board and the Board shall report the same in its report to the shareholders annually.

For the financial year 2025-2026, the Company has spent ₹ 0.45 million in pursuance of its Corporate Social Responsibility Policy in the following manner:

**1. Contribution towards Livelihood enhancement:** The Company has contributed ₹ 0.45 million towards Livelihood enhancement to Raju Vegesna Foundation.

**2. Contribution towards National Heritage:** The Company has directly contributed ₹ Nil million towards National heritage to Pragna Bharati.

## Technology and Sustainability Committee

With the primary purpose of assisting the Board in overseeing the Company's technology programs and sustainability initiatives, the Technology and Sustainability Committee is constituted by the Board as a voluntary Committee. The Committee consists of Dr. Thomas Michael Bradicich, Mr. Raju Vegesna, Mr. Arun Seth, as members. Dr. Thomas Michael Bradicich is the Chairman of the Committee. Chief Executive Officer, Chief Technology Officer of the business, Chief Digital Officer and Chief Information Security Officer are the permanent invitees.

## Employees

As of March 31, 2026, we had 4,331 employees, compared with 4,406, and 4,319, as of March 31, 2025 and March 31, 2024, respectively. Of our current employees, 167 are administrative, 352 from our sales and marketing, 3,744 are dedicated to technology and technical support, and 68 are in business process and customer care. None of our employees are represented by a union. We believe that our relationship with our employees is good. All the employees are substantially India-based.

## Stock Ownership

The following table sets forth information with respect to the beneficial ownership of our equity shares as of March 31, 2026 by each director and our senior management executives. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to equity shares. Unless otherwise indicated, the persons named in the table have sole voting and sole investment control with respect to all equity shares beneficially owned.

Beneficial Owner	Equity Shares Beneficially Owned	
	Number	Percent
Raju Vegesna *	364,126,602	83.78%

\* Other than the above, none of the Directors or Executive Officers of the Company holds any shares in the Company.

No options under our ASOP plan were outstanding to our senior management executives.

## Associate Stock Option Plan

We had an Associate Stock Option Plan, or ASOP, which provided for the grant of options to employees of our Company. The ASOP 2014 terminated by its terms on January 20, 2025 and no new awards may now be granted under the ASOP 2014. However, the termination of the ASOP 2014 does not affect the validity of any award outstanding after the date of termination.

The Company introduced a new Stock Option Plan under Associate Stock Option Plan 2014 ("ASOP 2014") for granting ESOPs as Equity Shares and/or ADSs linked warrants to the eligible Associates of the Company and its Holding/Subsidiaries/Associates. This was in addition to the earlier ASOP Plans of 2000, 2002, 2005 and 2007. For this purpose, the Company allocated 25 million Equity Shares of ₹ 10/- each under ASOP 2014. The proposal was approved by the Board of Directors and the shareholders of the Company at the Eighteenth Annual General Meeting held on July 28, 2014, and 25,000,000 shares were reserved for issuance under the plan. The Company also filed Form S-8 on December 21, 2015 with SEC for the options issued under the plan. As of March 31, 2026, we had outstanding options of 0.47 million under our ASOP Plans with a weighted average exercise price equal to approximately ₹ 74.13 (US\$ 0.78) per equity share. These options expire on January 23, 2029. The Board at their meeting held on January 20, 2015 approved to grant 5,870,800 options to 85 Associates and issued Grant Letters.

The Company granted an additional 25,000, 195,000, 465,000, 7,220,000, 335,000, 150,000, 525,000 and 184,300 options to employees during fiscal years 2022-2023, 2021-2022, 2020-2021, 2019-2020, 2018-2019, 2017-2018, 2016-2017, and 2015-2016, respectively.

Associate Stock Option Plan - 2024 ("ASOP 2024") was approved by the members in the Annual General Meeting held on July 3, 2024, to create, offer, issue and allot share-based options under the ASOP 2024, up to 25,000,000 (Twenty-Five Million) new Equity Shares of Rs. 10 each and/or American Depositary Shares. Stock options are yet to be issued to eligible Associates of the Company under ASOP 2024.

The ASOP Plans are administered by the Compensation Committee of our Board of Directors. On the recommendation of the Compensation Committee, we issue option letters to identified employees, with the right to convert the issued options into our equity shares at the rates indicated in the options.

An employee holding options may apply for exercise of the options on a date specified therein which is referred to as the conversion date. The options are not transferable by an employee. The options lapse in the event of cessation of employment due to reasons of non-performance or otherwise. The equity shares transferred to the employee after conversion from options are the absolute property of the employee and will be held by the employee.

SISL, our subsidiary has instituted an employee share-based payment scheme titled “SISL Employee Stock Option Plan 2025”, which was approved by the shareholders at the general meeting held on September 26, 2025, for granting up to 30 million options. Under the SISL ESOP 2025 Plan, eligible employees of SISL and Sify may be granted options to acquire equity shares of the SISL upon payment of the grant price. Each option is convertible into one equity share upon exercise. The options vest subject to continued employment and achievement of specified performance conditions, with 40% vesting after two years from the grant date and the remaining 60% vesting over the subsequent three years in equal half-yearly tranches. Vesting is linked to both individual performance and SISL performance parameters relating to capacity billed, revenue and EBIT. The options may be exercised upon occurrence of a liquidity event such as an initial public offering or strategic sale, in accordance with the terms of the SISL ESOP 2025. The options do not carry rights to dividend or voting prior to exercise.

A total of 30 million equity shares are reserved for issuance under the SISL ESOP 2025, which was adopted at the Extraordinary Meeting of SISL held on September 26, 2025. As of March 31, 2026, SISL had an aggregate outstanding of 18.79 million options under SISL ESOP 2025 with a weighted average exercise price equal to approximately ₹ 150.00 (\$1.58) per equity share. Unamortized stock compensation expense as of March 31, 2026 on these options is ₹ 731.99 million (US\$ 7.73 million).

#### **Disclosure of a registrant’s action to recover erroneously awarded compensation.**

We maintain a Clawback Policy (the “Clawback Policy”) in compliance with the SEC’s and NASDAQ’s final rules. The Clawback Policy requires the repayment of certain erroneously awarded incentive-based compensation paid to any current or former executive officers, in connection with a restatement of financial statements if such compensation exceeded the amount that such executive officers otherwise would have received had it been determined based on the restated financial statements. Our Compensation/Nomination and Remuneration Committee assessed the applicability of the Clawback Policy in light of the restatement of the financial statements in Amendment No.1 to our annual report on Form 20-F for the year ended March 31, 2024. The Company concluded that no compensation is required to be recouped as a result of the restatement of the financial statements under that amendment as there were no payments awarded or made to management to which the Clawback Policy applies based on any metrics that were impacted by the restatement.

### **Item 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

#### **Principal Shareholders**

The following table sets forth information with respect to the beneficial ownership of our equity shares as of March 31, 2026, by each person or group of affiliated persons who is known by us based on our review of public filings to beneficially own 5% or more of our equity shares. The table gives effect to equity shares issuable within sixty days upon the exercise of all options and other rights beneficially owned by the indicated shareholders on that date. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to equity shares as well as the power to receive the economic benefits of ownership of securities. Unless otherwise indicated, the persons named in the table have sole voting and sole investment control with respect to all equity shares beneficially owned. The information below is based on a review of filings made by such persons with the SEC.

Mr. Raju Vegesna, the Co-Trustee of the Vegesna Family Trust, which is the owner of Infinity Capital Venture Management LLC, which is the general partner of Infinity Capital Ventures, LP, exercise voting control and dispositive power over the equity shares owned by Infinity Capital Ventures, LP. Mr. Raju Vegesna, CEO, Chairman and Managing Director of our Company, is affiliated with Infinity Capital Ventures, LP.

Infinity Satcom Universal Private Limited (Infinity Satcom) was owned and controlled by Mr. Raju Vegesna, CEO, Chairman and Managing Director of the Company. Pursuant to the order of Hon’ble NCLT, Chennai Division Bench dated March 5, 2025, Infinity Satcom merged with Raju Vegesna Infotech & Industries Private Limited. Infinity Satcom ceased to exist as a separate entity with effect from April 2, 2025.

Ramanand Core Investment Company Private Limited is a wholly owned subsidiary Company of Raju Vegesna Infotech and Industries Private Limited, which in turn is owned and controlled by Mr. Raju Vegesna, CEO, Chairman and Managing Director of the Company.

As of March 31, 2026, entities affiliated with our CEO, Chairman and Managing Director, Mr. Raju Vegesna, beneficially owned approximately 83.78% of our outstanding equity shares, as described below.

Shareholder	Equity Shares Beneficially owned	
	Number	Percent
Infinity Capital Ventures, LP	32,861,355	7.56
Vegesna Family Trust, LP	1,466,558	0.34
Raju Vegesna Infotech & Industries Private Limited, Visakhapatnam	34,343,689	7.90
Ramanand Core Investment Company Private Limited, Visakhapatnam*	295,455,000	67.98

\* Ramanand Core Investment Company Private Limited is controlled by Raju Vegesna Infotech and Industries Private Limited (RVIPL), therefore RVIPL holds the beneficial interest in Ramanand Core Investment Company Private Limited as of March 31, 2026.

#### Details of change in the percentage ownership held by the major shareholders:

Name of the shareholder	2023-2024		2024-2025		2025-2026	
	No. of shares	%	No. of shares	%	No. of Shares	%
Infinity Capital Ventures, LP, USA	13,902,860	7.58%	32,861,355	7.57%	32,861,355	7.56%
Vegesna Family Trust, USA	620,466	0.34%	1,466,558	0.34%	1,466,558	0.34%
Infinity Satcom Universal Private Limited	14,530,000	7.93%	14,530,000	3.35%	-	0.00%
Raju Vegesna Infotech and Industries Private Limited *	-	-	19,813,689	4.56%	34,343,689	7.90%
Ramanand Core Investment Company Private Ltd **	125,000,000	68.18%	295,455,000	68.06%	295,455,000	67.98%

\* Infinity Satcom received 19,813,689 Equity Share in the rights offering made, which it renounced in favor of Raju Vegesna Infotech and Industries Private Limited pursuant to Indian law.

\*\* 125,000,000 shares were issued to Raju Vegesna Infotech and Industries Private Limited at a discount of 50% to the prevailing American Depositary Share market price since the allotment of shares was for unlisted Indian equity shares. The shareholders of the Company approved the unregistered offering through voting in a general meeting where the promoter group beneficially owned 84.26% of the equity shares eligible to vote in the meeting. Raju Vegesna Infotech and Industries Private Limited transferred its entire 125,000,000 shares to Ramanand Core Investment Company Private Ltd., its wholly owned subsidiary Company.

Reference is made to note 39 to the Consolidated Financial Statement as regards the shareholding of Ramanand Core Investment Company Private Limited. As of such date, these shares are fully paid up of the face value and hence carry entire voting rights of these shares.

The Company has not issued any shares having differential voting rights and hence the Company's major shareholders do not have differential voting rights.

#### United States Shareholders

As of March 31, 2026, 104,808,339 of our ADSs were held in the United States, and we had approximately 17,221 shareholders in the United States. Each ADS represents six equity shares.

#### Host country Shareholders

As on March 31, 2026, 329,799,350 of our equity shares were held in India, and we had 24 shareholders on record in India. Each equity share has a par value of ₹ 10/- each.

## Control of Registrant

Based on our review of filings made with the SEC, Infinity Capital Ventures, LP beneficially owned 0.0% of our equity shares as of March 31, 2026. This shareholder is a party to the Subscription Agreement dated November 10, 2005 with our Company. The Subscription Agreement provides that, among other things, the Company shall appoint Mr. Raju Vegesna as the Chairman of the Board of Directors, Infinity Capital shall also nominate another person to the Board of Directors and for so long as Infinity Capital continues to own at least 10% of the Company's outstanding Equity Shares, the Company shall not enter into any agreement pursuant to which it would provide a third party with registration rights for Company securities, without the consent of Infinity Capital. In November 2005, Mr. Raju Vegesna, a nominee of Infinity Capital Ventures, LP, was appointed as Chairman of our Board of Directors. In February 2006, the Company also appointed Mr. P S Raju as the second nominee of Infinity Capital to the Board of Directors. Consequent to the resignation of Mr. P S Raju, as a Director effective May 31, 2015, Ms. Vegesna Bala Saraswathi was appointed as an additional Director of our Company effective July 22, 2015, as a Nominee. Further, as per the Act, she retires by rotation and is eligible for re-election.

Infinity Satcom Universal Private Limited, India also beneficially owned 0.00% of our equity shares as of March 31, 2026. Pursuant to the order of the NCLT, Chennai Division Bench, dated March 5, 2025, Infinity Satcom merged with Raju Vegesna Infotech & Industries Private Limited. Infinity Satcom ceased to exist as a separate entity with effect from April 2, 2025.

As of March 31, 2026, entities affiliated with our CEO, Chairman and Managing Director, Mr. Raju Vegesna, beneficially owned approximately 83.78% of our outstanding equity shares, which includes the 125,000,000 shares issued in connection with the private placement described below.

These shareholders are presently able to exercise control over many matters requiring approval by our shareholders, including the election of directors and approval of significant corporate transactions. Under Indian law, a simple majority is sufficient to control all shareholder actions except for those items, which require approval by a special resolution. If a special resolution is required, the number of votes cast in favor of the resolution must be not less than three times the number of votes cast against it. Examples of actions that require a special resolution include:

- altering our Articles of Association;
- issuing additional shares of capital stock, except for *pro rata* issuances to existing shareholders;
- commencing any new line of business; and
- commencing a liquidation.

Circumstances may arise in which the interests of Infinity Capital Ventures, LP or a subsequent purchaser of their shares could conflict with the interest of our other shareholders or holders of our ADSs. These shareholders could prevent or delay a change in control of our Company even if a transaction of that sort would be beneficial to our other shareholders, including the holders of our ADSs.

On October 30, 2010, we consummated the issuance and sale of 125,000,000 of our equity shares in a private placement with our promoter group, including an entity affiliated with our CEO, Chairman and Managing Director, Mr. Raju Vegesna. See note 35 in the notes to the financial statements in this Annual Report.

### Forfeiture of equity shares issued in a private placement

During the year ended March 31, 2008, Sify proposed a scheme of amalgamation to merge Sify Communications Limited (erstwhile subsidiary) with the Company and made applications to the appropriate authorities in India for approval of the proposed scheme of amalgamation to take over the IP-VPN services from Sify Communications Limited (erstwhile subsidiary) upon the consummation of the merger. Under the provisions of the local telecom regulations, a Company engaged in the business of providing IP-VPN services was required to maintain Indian shareholding at least 26% of the total paid-up share capital of the Company. In order to maintain the Indian shareholding at 26% in Sify consequent to the approval of the proposed scheme of amalgamation, Sify and Infinity Satcom Universal, an Indian entity (the Purchaser) entered into a Subscription Agreement (effective March 24, 2008), whereby the Company agreed to sell, and Infinity agreed to purchase, 12,817,000 equity shares of the Company (herein after referred to as 'the Share Purchase'), at a per share purchase price of USD \$4.46/ - per share (referred to as 'the Purchased Shares'), equivalent to ₹ 175/- per share in Indian rupees.

In connection with the private placement of shares to Infinity Satcom Universal, the independent directors of the Board of the Directors waived the provision of the Standstill Agreement dated November 10, 2005 prohibiting Infinity Capital Ventures, Raju Vegesna and any Affiliate from acquiring additional shares of the Company. Each of Messrs. Raju Vegesna and Ananda Raju Vegesna abstained from voting on the waiver.

The Company received a sum of ₹ 112,149 (comprising of ₹ 12,817 towards face value and ₹ 99,332 towards Share premium) and called up a sum of ₹ 448,595 (comprising of ₹ 25,634 towards face value and ₹ 422,961 towards Share premium). Subsequent to fiscal 2008, the Company withdrew its applications made to appropriate authorities for the approval of the proposed scheme of amalgamation with Sify Communications Limited (erstwhile subsidiary). Consequent upon the withdrawal of the merger, Infinity Satcom Universal communicated to Sify that they would not contribute to calls already made and any balance monies which would become payable under the Subscription Agreement. Hence, the Board of Directors forfeited the shares allotted and the monies collected (₹ 112,149 including sums towards capital and premium) at the meeting held on August 29, 2008.

#### **Sale of shares in a private transaction**

Pursuant to a Share Purchase Agreement dated May 31, 2009 between Infinity Capital Venture Management and Infinity Satcom Universal Private Limited, a Company owned and controlled by Ananda Raju Vegesna, Executive Director of the Company and brother of Raju Vegesna, CEO, Chairman and Managing Director of the Company, Raju Vegesna has sold 4,000,000 Equity Shares of ₹ 10/- each of the Company to Infinity Satcom for a consideration of \$ 3,000,000 in a private transaction.

#### **Issuance of Equity Shares in private placement to the promoter group:**

October 30, 2010, we consummated the issuance and sale of 125,000,000 of our equity shares in a private placement with our promoter group, including an entity affiliated with our CEO, Chairman and Managing Director, Mr. Raju Vegesna. See note 39 in the notes to the consolidated financial statements in this Annual Report.

The proceeds from the said issue have been utilized towards capital expenditure and expansion plans of the Company. During fiscal 2019 the shares have become fully paid-up.

#### **Related Party Transactions**

Refer to Note 36 'Related Parties' in Item 18 of this Annual Report for the list of related parties, their relationships and summary of related party transactions as of March 31, 2026 and March 31, 2025.

#### **Loans to employees**

We provide interest free loans to our employees in India who are not executive officers or directors which will be adjusted in their monthly salaries. As of March 31, 2026, there were no loans to employees outstanding.

## **Item 8. FINANCIAL INFORMATION**

### **Financial Statements**

The following financial statements and auditors' report appear under Item 18 in this Annual Report on Form 20-F and are incorporated herein by reference:

- Report of Independent Registered Public Accounting Firm
- Consolidated Statement of Financial Position as of March 31, 2026 and 2025
- Consolidated Statements of Profit or Loss and Consolidated statement presenting Comprehensive Income for the years ended March 31, 2026, 2025, and 2024
- Consolidated Statements of Changes in Equity for the years ended March 31, 2026, 2025, and 2024
- Consolidated Statements of Cash Flows for the years ended March 31, 2026, 2025, and 2024
- Notes to the Consolidated Financial Statements

### **Export Revenue**

Refer to Item 4 – Corporate Customers of this Annual Report on Form 20-F.

### **Legal Proceedings:**

Refer note 35 to our Consolidated Financial Statements included in Item 18 of this Annual Report on Form 20-F.

### **Dividends**

Under Indian law, we may pay dividends only from the profits available for distribution as reported in the unconsolidated statutory financial statements (as opposed to the consolidated financial statements for us and our subsidiaries) prepared in accordance with the Indian Accounting Standards. Based on the net income available for appropriation, dividends must then be recommended by the Board of Directors for approval by the shareholders at our annual general meeting and approved by a majority of our shareholders. Furthermore, the Board of Directors may also pay interim dividends at its discretion. See “Description of Share Capital and American Depositary Shares” which explains in more detail the procedures we must follow and the Indian law provisions that determine whether we are entitled to declare a dividend.

We have not paid or declared any cash dividends on our equity shares since 2019. Because our payment of dividends is contingent upon the level of performance of the Company and the recommendation of the Board of Directors and the approval of the shareholders, there is no assurance that dividends will be paid in the future. We intend to retain all available funds and any future earnings to fund the development and expansion of our business.

### **Significant changes**

None

## **Item 9. THE OFFER AND LISTING**

### **Trading Markets**

There is no public market for our equity shares in India, the United States or any other market. Our ADSs evidenced by American Depositary Receipts, or ADRs, are traded in the United States only on the NASDAQ Capital Market under the symbol "SIFY". Each ADS represents six equity shares. The ADRs evidencing ADSs were issued by our depositary, pursuant to a Deposit Agreement.

## Item 10. ADDITIONAL INFORMATION

### Share Capital

Our authorized share capital is ₹ 10,000 million divided into 750,000,000 equity shares having a par value ₹ 10 per equity share and 250,000,000 preference shares having a par value ₹ 10 per preference share. As of March 31, 2026, 434,607,689 equity shares were issued and fully paid. There are no partly paid-up shares. The equity shares and preference shares are our only class of authorized share capital. We have 472,728 options outstanding to purchase equity shares as of March 31, 2026.

104,808,339 of our equity shares are represented by American Depositary Shares issued by our Company in accordance with applicable laws and regulations. Our Articles of Association and the Indian Companies Act permit us to issue classes of securities in addition to the equity shares. For the purposes of this annual report, “shareholder” means a shareholder who is registered as a member in the register of members of our Company. The term shareholders and ADSs holders have the same meaning in this annual report since the Indian Companies Act only defines a shareholder.

There have been no significant changes in the share capital of the Company during the fiscal 2026, 2025, and 2024 except for:

- (a) exercise of stock options by eligible employees;
- (b) Rights Offering to eligible shareholders in the ratio of 1.36364 Equity Shares / ADRs for every 1 Equity Share held on a rights issue basis allotted on June 28, 2024; and
- (c) ratio change from the current ratio, where one (1) ADS represents one (1) equity share, to a new ratio, where one (1) ADS represents six (6) equity shares, with no change to the Company’s equity shares with effect from October 4, 2024.

In addition to exercise of stock options during the fiscal 2021, the partly paid shares as part of the subscription agreement entered into with Mr. Ananda Raju Vegesna, dated October 22, 2010 were converted to fully paid-up after receiving the balance money of ₹900 million towards the 125,000,000 equity shares.

Our equity shares and their holders are registered in a registry of members. All of our shares have equal voting rights and carry equal entitlements to dividends and bonus issue of shares, if any. Our equity shares have no redemption or sinking fund provisions.

### Memorandum and Articles of Association

Set forth below is the material information concerning our share capital and a brief summary of the material provisions of our Articles of Association, Memorandum of Association and the Indian Companies Act, all as currently in effect. The following description of our equity shares and the material provisions of our Articles of Association and Memorandum of Association does not purport to be complete and is qualified in its entirety by our Memorandum of Association and Articles of Association that are incorporated by reference to this Annual Report on Form 20-F.

#### *Objectives of Memorandum of Association*

The following is a summary of our objectives as set forth in Section 3 of our Memorandum of Association:

1. To develop and provide internet service, internet telephony, infrastructure based services, virtual private network and other related data, voice and video services, wide area communication network, value added services on the network, lease or other transfers of network, software, peripherals and related products, and to provide marketing services.
2. To provide security products for corporate, carry on the business of consulting, software and hardware, integrated platform(s) for the e-commerce solutions, applications, information technology, security and all other kinds of technology solutions or services, and to acquire, maintain, operate, manage and undertake technology and infrastructure for this purpose.

3. To develop, service & sell/lease data based through direct or electronic media, to develop a wide area communication network of sell / lease the network or provide value added services on the network to develop, service, buy / sell computers, software, peripherals and related products to provide marketing services rising direct as well as electronic media.
4. To undertake the designing and development of systems and applications software either for its own use or for sale in India or for export outside India and to design and develop such systems and application software for or on behalf of manufacturers, owners and users of computer systems and digital / electronic equipment in India or elsewhere in the world.
5. To set up and run electronic data processing centers and to carry on the business of data processing, word processing, software consultancy, system studies, management consultancy, techno-economic feasibility studies of projects, design and development of management information systems, share / debenture issues management and / or registration and share/debenture transfer agency.
6. To undertake and execute feasibility studies for computerization, setting up of all kind of computer systems and digital/electronic equipment's and the selection, acquisition and installation thereof whether for the Company or its customers or other users.
7. To conduct, sponsor or otherwise participate in training programs, courses, seminar conferences in respect of any of the objects of the Company and for spreading or imparting the knowledge and use of computers and computer programming languages including the publication of books, journals, bulletins, study / course materials, circulars and news-letters; and to undertake the business as agents, stockiest, distributors, franchise holders or otherwise for trading or dealing in computer systems, peripherals, accessories, parts and computer consumables, continuous and non-continuous stationery, ribbons and other allied products and things and standard software packages.
8. To conduct e-commerce for sale of all kinds of products and services through direct or electronic media as well as on and off line e-commerce including travel related services, buying and selling of products and services / merchandise, software, data information etc., in India and abroad.

#### *Directors*

Our Articles of Association provide that the minimum number of directors shall be three and the maximum number of directors shall be 12. Presently, we have seven directors. Our Articles of Association provide that at least two-thirds of our directors shall be subject to re-election by our shareholders; and at least one-third of our directors who are subject to re-election shall be up for re-election at each Annual General Meeting of the shareholders.

Our Articles of Association do not require that our directors have to hold shares of our Company in order to serve on our Board of Directors.

Our Articles of Association provide that any director who has a personal interest in a transaction must disclose such interest, must abstain from voting on such a transaction and may not be counted for the purposes of determining whether a quorum is present at the meeting. The remuneration payable to our directors may be fixed in accordance with provisions prescribed by the Companies Act. Our Articles of Association provide that our Board of Directors may generally borrow or secure the payment of any sum of money for our business purposes, provided, however, where any amounts are to be borrowed, that when combined with any already outstanding debt, exceed the aggregate of our paid-up capital and free reserves, we cannot borrow such amounts without the consent of our shareholders.

The Companies Act provides that:

- (a) no director of the Company can vote on a proposal, arrangement or contract in which he is materially interested;
- (b) the directors of the Company cannot vote on a proposal in the absence of an independent quorum for compensation to themselves or their body;
- (c) each of our directors is entitled to receive a sitting fee not exceeding ₹ 100,000 for every meeting of the Board of Directors and each meeting of a Committee of the Board of Directors, as well as all traveling and out-of-pocket expenses incurred in attending such meetings; however, effective May 2014, the Company has been paying ₹ 50,000 to the directors for each Board Meeting attended by them. Effective July 19, 2024, considering the increased responsibilities of the Board and the Directors, as well as the efforts put in by the Directors and their contribution to the growth of the Company, sitting fees payment have been revised at ₹100,000 for every meeting of the Board of Directors and ₹75,000 for every meeting of a Committee of the Board of Directors.

- (d) the directors are empowered to borrow moneys through board meetings up to the prescribed limit and beyond that with the approval of the shareholders through a General Meeting;
- (e) retirement of directors is determined by rotation and not based on age limit; and
- (f) no director is required to hold any qualification shares.

**For additional information, please see “Item 6. Director, Senior Management and Employees – Board Composition,” “Board Committees” and “Director Compensation,” and “Officer Compensation” of this Annual Report on Form 20-F.**

With respect to equity shares issued during a particular fiscal year (including any equity shares underlying ADSs issued to the depository), cash dividends declared and paid for such fiscal year generally will be prorated from the date of issuance to the end of such fiscal year.

The Indian Companies Act, 2013 further provides that, in the event of an inadequacy or absence of profits in any year, a dividend may be declared for such year out of the Company’s accumulated profits subject to the fulfillment of the following conditions:

- the rate of dividend to be declared may not exceed the average of the rate at which dividends were declared by it in the three years immediately preceding that year provided that this sub-rule shall not apply to a Company, which has not declared any dividend in each of the three preceding financial years.
- the total amount to be drawn from the accumulated profits shall not exceed one-tenth of such sum of its paid-up capital and free reserves as appearing in the last audited financial statement,
- the amount so drawn shall first be utilized to set off the losses incurred in the financial year in which a dividend is declared before any dividend in respect of equity shares is declared.
- the balance of reserves after such withdrawal shall not fall below fifteen per cent of its paid-up share capital as appearing in the latest audited financial statement.
- No Company shall declare dividends unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the Company of the current year.

*Voting Rights and procedures:*

All of our equity shares have the same voting rights. For all matters submitted to vote in a shareholders meeting of the Company, every holder of an equity share, as reflected in the records of the Company as on the record date set for the shareholders meeting, shall have one vote in respect of each share held. There are no cumulative voting rights

At any general meeting, voting is by show of hands unless a poll is demanded by a shareholder or shareholders present in person or by proxy holding (a) not less than one-tenth of the total voting power entitled to vote on a resolution or (b) shares with an aggregate paid-up capital of at least ₹ 500,000. Upon a show of hands, every shareholder entitled to vote and present in person has one vote and, on a poll, every shareholder entitled to vote and present in person or by proxy has voting rights in proportion to the paid-up capital held by such shareholders. The Chairperson has a casting vote in the case of any tie.

Any shareholder of the Company entitled to attend and vote at a meeting of the Company may appoint a proxy. The instrument appointing a proxy must be delivered to us at least 48 hours prior to the meeting. Unless the articles of association otherwise provide, a proxy may not vote except on a poll. A corporate shareholder may appoint an authorized representative who can vote on behalf of the shareholder, both upon a show of hands and upon a poll. An authorized representative is also entitled to appoint a proxy.

Ordinary resolutions may be passed by simple majority of those present and voting at any general meeting for which the required period of notice has been given. However, specified resolutions such as amendments to our Articles and the Memorandum of Association, commencement of a new line of business, the waiver of pre-emptive rights for the issuance of any new shares and a reduction of share capital, require that votes cast in favor of the resolution (whether by show of hands or on a poll) are not less than three times the number of votes, if any, cast against the resolution by members so entitled and voting. As per the Indian Companies Act, unless the articles of association of a Company provide for all directors to retire at every annual general meeting, not less than two-third of the directors of a public Company must retire by rotation, while the remaining one-third may remain on the board until they resign or are removed. Our Articles of Association require two thirds of our Directors to retire by rotation. One-third of the directors who are subject to retirement by rotation must retire at each Annual General Meeting.

Further, the Indian Companies Act requires certain resolutions such as those listed below to be voted on only by a postal ballot:

- (a) alteration of the objects clause of the memorandum;
- (b) alteration of articles of association in relation to insertion or removal of provisions which, under sub-section (68) of section 2, are required to be included in the articles of a Company in order to constitute it a private Company;
- (c) change in place of registered office outside the local limits of any city, town or village as specified in sub-section (5) of section 12 of the companies Act
- (d) change in objects for which a Company has raised money from public through prospectus and still has any unutilized amount out of the money so raised under sub-section (8) of section 13 of the Companies Act
- (e) issue of shares with differential rights as to voting or dividend or otherwise under sub-clause (ii) of clause (a) of section 43 of the Companies Act
- (f) variation in the rights attached to a class of shares or debentures or other securities as specified under section 48 of the Companies Act
- (g) buy-back of shares by a Company under sub-section (1) of section 68 of the Companies Act
- (h) election of a director under section 151 of the Act of the Companies Act
- (i) sale of the whole or substantially the whole of an undertaking of a Company as specified under sub-clause (a) of sub-section (1) of section 180 of the Companies Act
- (j) giving loans or extending guarantee or providing security in excess of the limit specified under sub-section (3) of section 186 of the Companies Act

#### *Dividend Rights*

Under Indian law, we may pay dividends only from the profits available for distribution as reported in the unconsolidated statutory financial statements (as opposed to the consolidated financial statements for us and our subsidiaries) prepared in accordance with the Indian Accounting Standards. Based on the net income available for appropriation, dividends must then be recommended by the Board of Directors for approval by the shareholders at our annual general meeting, and approved by a majority of our shareholders. However, the board is not obliged to recommend a dividend. Under our Articles of Association and the Companies Act, although the shareholders may, at the Annual General Meeting, approve a dividend by an amount less than that recommended by the Board of Directors, they cannot increase the amount of the dividend.

In India, dividends generally are declared as a percentage of the par value of a company's equity shares. The dividend recommended by the Board of Directors and thereafter declared by the shareholders in the Annual General Meeting (and subject to the limitations described above), is required to be distributed and paid to shareholders in proportion to the paid-up value of their shares within 30 days of the declaration by the shareholders at the Annual General Meeting.

Pursuant to the Companies Act, our Board of Directors has the discretion to declare and pay interim dividends without shareholder approval. Under the Companies Act, dividends can only be paid in cash to the registered shareholder, the shareholder's order or the shareholder's banker's order, at a record date fixed on or prior to the date of the Annual General Meeting. We must inform NASDAQ of the record date for determining ADS holders who are entitled to receive dividends.

The Companies Act provides that any dividends that remain unpaid or unclaimed after the 30-day period from the date of declaration of a dividend are to be transferred to a special bank account opened by the Company at an approved bank within seven days from the date of expiry of the 30-day period. We have to transfer any dividends that remain unclaimed for seven years from the date of the transfer to an Investor Education and Protection Fund established by the GOI under the provisions of the Companies Act. Under the Companies Act, after the transfer to this fund, such unclaimed dividends may be claimed by the shareholders on submission of such documents and in accordance with the procedures as may be prescribed by the Government.

With respect to equity shares issued during a particular fiscal year (including any equity shares underlying ADSs issued to the Depository), cash dividends declared and paid for such fiscal year generally will be prorated from the date of issuance to the end of such fiscal year.

The Companies Act further provides that, in the event of an inadequacy or absence of profits in any year, a dividend may be declared for such year out of the Company's accumulated profits subject to the fulfillment of the following conditions:

- The rate of dividend to be declared may not exceed the average of the rate at which dividends were declared by such company in the three years immediately preceding that year, provided that this condition shall not apply to a company, which has not declared any dividend in each of the three preceding financial year;
- The total amount to be drawn from the accumulated profits shall not exceed one-tenth of such sum of its paid-up capital and free reserves as appearing in the last audited financial statement;
- The amount so drawn shall first be utilized to set off the losses incurred in the financial year in which a dividend is declared before any dividend in respect of equity shares is declared;

The balance of reserves after such withdrawal shall not fall below 15% of the company's paid-up share capital as appearing in the latest audited financial statement, on a standalone basis; and

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits us to distribute an amount transferred from the reserve or surplus in our profit and loss account to our shareholders in the form of bonus shares, which are similar to a stock dividend. The Companies Act also permits the issuance of bonus shares from a share premium account. Bonus shares are distributed to shareholders in the proportion recommended by the Board of Directors. Shareholders of record on a fixed record date are entitled to receive such bonus shares.

We have not paid or declared any cash dividends on our equity shares since 2019. Because our payment of dividends is contingent upon the level of performance of the Company and the recommendation of the Board of Directors and the approval of the shareholders, there is no assurance that dividends will be paid in the future. We intend to retain all available funds and any future earnings to fund the development and expansion of our business.

#### *Bonus Shares*

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Indian Companies Act permits us to distribute an amount transferred from the reserve or surplus in our profit and loss account to our shareholders in the form of bonus shares, which are similar to a stock dividend. The Indian Companies Act also permits the issuance of bonus shares from a share premium account. Bonus shares are distributed to shareholders in the proportion recommended by the Board. Shareholders of record on a fixed record date are entitled to receive such bonus shares.

#### *Consolidation and Subdivision of Shares*

The Indian Companies Act permits a Company to split or combine the par value of its shares, provided such split or combination is not made in fractions. Shareholders of record on a fixed record date are entitled to receive the split or combination.

#### *Pre-emptive Rights and Issue of Additional Shares*

The Companies Act gives shareholders the right to subscribe for new shares in proportion to their respective existing shareholdings unless otherwise determined by a special resolution passed by a General Meeting of the shareholders. Under the Companies Act, in the event of an issuance of securities, subject to the limitations set forth above, the Company must first offer the new shares to the shareholders on a fixed record date. The offer must include: (i) the right, exercisable by the shareholders of record, to renounce the shares offered in favor of any other person; and (ii) the number of shares offered and the period of the offer, which may not be less than seven days from the date of offer and not more than 30 days from the date of the offer for unlisted companies. If the offer is not accepted, it is deemed to have been declined; thereafter the Board of Directors is authorized under the Companies Act to distribute any remaining shares not purchased by the preemptive rights holders in the manner that is not disadvantageous to the shareholders and to the Company.

#### *Annual General Meetings of Shareholders*

We must convene an annual general meeting of shareholders each year within 15 months of the previous annual general meeting or within six months of the end of previous fiscal year, whichever is earlier and may convene an extraordinary general meeting of shareholders when necessary or at the request of a shareholder or shareholders holding not less than one-tenth of our paid-up capital carrying voting rights. In certain circumstances a three month extension may be granted by the Registrar of Companies to hold the Annual General Meeting. The Annual General Meeting of the shareholders is generally convened by our Company Secretary pursuant to a resolution of the Board of Directors. In addition, the Board may convene an Extraordinary General Meeting of shareholders when necessary or at the request of a shareholder or shareholders holding not less than one-tenth of our paid-up capital carrying voting rights. Written notice setting out the agenda of any meeting must be given at least 21 days prior to the date of the General Meeting to the shareholders of record, excluding the days of mailing and date of the meeting. Shareholders who are registered as shareholders on the date of the General Meeting are entitled to attend or vote at such meeting. The Annual General Meeting of shareholders must be held at our registered office or at such other place within the city in which the registered office is located, and meetings other than the Annual General Meeting may be held at any other place if so determined by the Board of Directors.

Indian law provides that a quorum for a general meeting is the presence of at least five shareholders in person.

#### Annual General Meeting:

Our Annual General Meeting for the fiscal year ended March 31, 2025 was held on August 14, 2025 as decided by the Board of Directors held at the registered office of our Company, 2nd Floor, TIDEL Park, 4 Canal Bank Road, Taramani, Chennai 600 113, India.

At the Annual General Meeting, the shareholders approved the following items:

- Adoption of audited financials for the fiscal year ended March 31, 2025 as per Indian Accounting Standards.
- Appoint a Director in place of Mrs. Vegesna Bala Saraswathi (DIN 07237117), who retires by rotation and being eligible, offers herself for reappointment.
- Appointment of Dr. Thomas Michael Bradicich (DIN:10672895) as an Independent Director of the Company for a further period of five consecutive years effective July 05, 2024 and whose tenure of office shall not be liable to retire by rotation
- Appointment of Mrs. Padmaja Chunduru (DIN:08058663) as an Independent Director of the Company for a further period of five consecutive years effective October 12, 2024 and whose tenure of office shall not be liable to retire by rotation
- Appointment of Dr. Ram Sewak Sharma (DIN:02166194) as an Independent Director of the Company for a further period of five consecutive years effective June 20, 2025 and whose tenure of office shall not be liable to retire by rotation
- Ratification of Remuneration payable to Mr. S Ramachandran, Cost Auditor for the financial year 2025-2026.
- Approval of alteration of Articles of Association of the Company.
- Approval of the Issue of Non-Convertible Debentures on a Private Placement Basis.

#### *Register of Shareholders; Record Dates; Transfer of Shares*

We maintain a register of shareholders as required under the Indian Companies Act, 2013. For the purpose of determining the shares entitled to annual dividends, the register is closed for a specified period prior to the annual general meeting. The date on which this period begins is the record date. The Companies Act requires us to give at least seven days' prior notice to the public before such closure. We may not close the register of shareholders for more than thirty consecutive days, and in no event for more than forty-five days in a year.

Following the introduction of the Depositories Act, 1996, and the repeal of Section 22A of the Securities Contracts (Regulation) Act, 1956, which enabled companies to refuse to register transfers of shares in some circumstances, the equity shares of a public Company are freely transferable, subject only to the provisions of Section 58 of the Companies Act, listing regulations. However, listing regulations are not currently applicable to us because we are not listed on any stock exchange in India.

Since we are a public company under Indian law, the provisions of Section 58 apply to us. Our Articles of Association currently contain provisions that give our directors discretion to refuse to register a transfer of shares in some circumstances, if they have sufficient cause to do so in the best interests of our Company. While our directors are not required to provide a reason for any such refusal in writing, they must give notice of the refusal to the transferee within 30 days after receipt of the application for registration of transfer by our Company. If our directors refuse to register a transfer of shares, the shareholder wishing to transfer his, her or its shares may file a civil suit or an appeal with the NCLT.

Pursuant to Section 58 of the Companies Act, if a transfer of shares contravenes any of the provisions of the Companies Act and Securities and Exchange Board of India Act, 1992 or the regulations issued thereunder, or any other Indian laws, the NCLT may, on application made by the relevant Company, a depository incorporated in India, an investor, a participant, or the Securities and Exchange Board of India or other parties, direct the rectification of the register, record of members and/or beneficial owners. The NCLT may, in its discretion, issue an interim order suspending the voting rights attached to the relevant shares before making or completing its investigation into the alleged contravention. Notwithstanding such investigation, the rights of a shareholder to transfer the shares will not be restricted.

Our transfer agent is GNSA Infotech Private Limited, Chennai. The Ministry of Corporate Affairs has mandated the dematerialization of shares for all unlisted public companies in India and restricted the transfer of physical shares

### *Disclosure of Ownership Interest*

Section 89 of the Companies Act requires holders of record who do not hold beneficial interests in shares of Indian companies to declare to the company certain details, including the nature of the holder's interest and details of the beneficial owner, including in case of change of such beneficial owner. Any person who fails to make the required declaration within 30 days may be liable for a fine which may extend to ₹50,000, and where the failure is a continuing one, with a further fine which may extend to ₹ 200 for every day after the first during which the failure continues, subject to a maximum of ₹5,00,000.

### *Disclosure of Significant Beneficial Ownership*

Section 90 of the Companies Act, read with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, requires a significant beneficial owner to submit necessary declarations to the Company regarding the details of ownership interests held in the Company. Further, the Company is required to take necessary steps to identify an individual who is a significant beneficial owner in relation and require such individual to comply with the applicable provisions. A significant beneficial owner means every individual who, acting alone or together, or through one or more persons or trust, possesses one or more of the following rights or entitlements in the Company: (a) holds indirectly, or together with any direct holdings, not less than 10% of the shares; (b) holds indirectly, or together with any direct holdings, not less than 10% of the voting rights in the shares; (c) has the right to receive or participate in not less than 10% of the total distributable dividend or any other distribution, in a financial year through indirect holdings alone, or together with any direct holdings; or (d) has the right to exercise, or actually exercises, significant influence or control, in any manner other than through direct holdings alone, over the Company.

The Company is required to send notice to all its non-individual members who hold more than 10% of shares, voting rights or right to receive or participate in dividends/distributions in order to identify the individual beneficial owner and cause such individual to make the required reporting to the Company. On receipt of such declaration, the Company is required to inform the Ministry of Corporate Affairs.

### *Audit and Annual Report*

Under the Indian Companies Act, a Company must file its audited financial statements with the Registrar of Companies within 30 days from the date of the Annual General Meeting. At least 21 days before the annual general meeting of shareholders excluding the days of mailing and receipt, we must distribute to our shareholders a detailed version of our audited balance sheet, profit and loss account and cash flow statement and the related reports of the Board and the auditors, together with a notice convening the annual general meeting. These materials are also generally made available at our corporate website, [www.sifytechnologies.com](http://www.sifytechnologies.com). Under the Indian Companies Act; we must file the audited financial statements presented to the shareholders within 30 days of the conclusion of the annual general meeting with the Registrar of Companies in Tamil Nadu, India, which is the state in which our registered office is located. We must also file an annual return containing a list of our shareholders and other information within 60 days of the conclusion of the meeting.

As per the directive of the Ministry of Corporate Affairs, GOI, effective fiscal year ended March 31, 2011 onwards, the Company is required to file the audited financials in Extensible Business Reporting Language (XBRL) mode by using XBRL taxonomy.

The Company has filed the financial statements and other documents with Ministry of Corporate Affairs, GOI ("MCA") for the financial year 2024-2025 in Extensible Business Reporting Language (XBRL) mode by using XBRL taxonomy.

### *Company Acquisition of Equity Shares*

Under the Companies Act, 2013, companies may purchase their own shares or other specified securities out of their free reserves or their securities premium account or the proceeds of any shares or other specified securities (other than the kind of shares or other specified securities proposed to be bought back) subject to the compliance with the Companies Act, 2013, and other prescribed rules, regulations and conditions as laid down in the Companies Act.

### *Capital Calls*

Although our Articles of Association do provide for certain capital call obligations in respect of any monies unpaid on the shares of a shareholder, all of our issued and outstanding shares have been fully paid in. Accordingly, our shareholders are not obliged to make further contributions with respect to their shares.

### *Liquidation Rights*

As per the Companies Act and the Insolvency and Bankruptcy Code, 2016, certain payments have preference over payments to be made to equity shareholders. These payments having preference include payments to be made by us to our employees, taxes, payments to secured and unsecured lenders and payments to holders of any shares entitled by their terms to preferential repayment over the equity shares.

In the event of our Company's winding-up or liquidation, all preferential amounts, if any, shall be discharged by us. Our remaining assets shall be distributed to the holders of equity shares in proportion to their shareholdings.

### *Limitations on rights to own securities*

There are no limitations on the rights to own our securities under our Memorandum of Association and Articles of Association. In particular, there are no provisions in our Articles of Association discriminating against any existing or prospective holder of our securities as a result of such shareholder owning a substantial number of shares.

The limitations on the rights to own securities of Indian companies, including the rights of non-resident or foreign shareholders to hold securities, are discussed in the section entitled "Ownership Restrictions" below. Additionally, for a summary of the restrictions on transfers applicable to both foreign direct investments and portfolio investments, see "—Restrictions on Transfer" below.

### *Redemption of Equity Shares*

Under the Indian Companies Act, equity shares are not redeemable.

### *Discriminatory Provisions in Articles*

There are no provisions in our Articles of Association discriminating against any existing or prospective holder of such securities as a result of such shareholder owning a substantial number of shares.

### *Alteration of Shareholder Rights*

Under the Companies Act, the rights of any class of shareholders can be altered or varied (i) with the consent in writing of the holders of not less than three-fourths of the issued shares of that class; or (ii) by special resolution passed at a separate meeting of the holders of the issued shares of that class. Under the Companies Act, the Articles of Association may also be altered by a special resolution of the shareholders

### *Provisions on Changes in Capital*

The Company may increase the share capital, consolidate the share capital into shares of larger face value than existing shares or sub-divide shares by reducing their par value, subject to an ordinary resolution of the shareholders in a General Meeting.

Currently, one class of equity shares is authorized and outstanding under our Memorandum of Association and Articles of Association. Further, the Company has authorized, but not issued, preference shares. However, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of such proportion of the issued shares of that class as may be specified in the Companies Act or rules made thereunder, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

If a capital increase is approved, then our shareholders would generally have certain preemptive rights as described above.

The requirements of the Memorandum of Association and Articles of Association regarding changes in capital are not more stringent than the requirements of Indian law

### *Restrictions on Transfer*

Under the Articles of Association of the Company, the Board of Directors has the right to decline to register or acknowledge any transfer of shares, notwithstanding that the proposed transferee is an existing shareholder in the Company. However, in such a case, the Board of Directors shall send notice of refusal to the transferor and the transferee in this regard within one month from the date on which the instrument of transfer was filed with the Company.

If the Company refuses to register the transfer of shares without sufficient cause, the transferee may, within a period of sixty days of such refusal or where no intimation has been received from the Company, within ninety days of the delivery of the instrument of transfer or intimation of transmission, appeal to the NCLT. The NCLT may, after hearing the parties, either dismiss the appeal; or by order direct that the transfer or transmission shall be registered by the Company and the Company shall comply with such order within a period of ten days of the receipt of the order; or direct rectification of the register and also direct the Company to pay damages, if any, sustained by any party aggrieved.

The subscription, purchase and sale of shares of an Indian company by a citizen of India who resides outside India (“NRI”), whether in the form of foreign direct investment or in the form of portfolio investment, are governed by various Indian laws regulating the transfer or issue of securities by the company to NRIs. These regulations have been progressively relaxed in recent years. Set forth below is a summary of various forms of investment, and the regulations applicable to each, including the requirements under Indian law applicable to our equity shares and ADSs.

#### *Amendments to the Articles of Association*

On August 14, 2025, we approved amendments to the Articles of Association pursuant to the special resolution passed by the members at the 29th Annual General Meeting of the Company. See Exhibit 1.1 hereto for the amended Articles of Association. The principal amendments are summarized below:

- Article 1 and 2 – Updated references from the Companies Act, 1956 to the Companies Act, 2013.
- Article 4 – Added a provision allowing the further issue of shares, including by rights issue, preferential offer or private placement under the Companies Act, 2013.
- Article 7 – Inserted a new article allowing the issuance of debentures, including convertible and non-convertible debentures, at a discount, premium or otherwise, provided that debentures carrying conversion rights require shareholder approval by special resolution.
- Articles 9, 22, 31, 37, 45 – Extended the provisions governing transfer and transmission of shares to apply equally to all other securities of the Company, including debentures, to the extent permitted by the Companies Act, 2013.
- Article 62 – Added a new provision permitting lenders/financial institutions acting as creditors of the Company to nominate and/or appoint directors under certain circumstances.

#### **Material Contracts**

See the agreements listed in Item 7, “Major Shareholders and Related Party Transactions” regarding our material contracts involving certain of our officers and directors.

#### **Exchange Controls**

##### *General*

The subscription, purchase and sale of shares of an Indian Company by Person Resident outside India (non-residents) are governed by various Indian laws regulating the transfer or issue of Securities by the Company to non-residents. These regulations have been progressively relaxed in recent years. Set forth below is a summary of various forms of investment, and the regulations applicable to each, including the requirements under Indian law applicable to the issuance of ADSs.

##### Foreign Direct Investment

Foreign Direct Investment (“FDI”) in India is governed by the FDI Policy, dated October 15, 2020, (the “FDI Policy”) announced by the GOI, the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”), Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (the “NDI Rules”) and the rules, regulations and notifications issued thereunder. Foreign Exchange Management (Non-debt Instruments) Rules, 2019 contain the related regulations for foreign investment in India. The NDI Rules are amended from time to time.

Under the FDI Policy, investments can be made by NRIs in the shares, convertible debentures and preference shares of an Indian company, through two routes: the Automatic Route and the Government Route. Under the Automatic Route, neither the foreign investor nor the Indian Company requires any approval from the relevant ministry, department of the GOI for the investment. Under the Government Route, prior approval of the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GOI (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs through the FDI Policy, is needed.

FDI is freely permitted in almost all sectors. In particular, ownership of shares of Indian companies in most manufacturing and service sectors does not require prior approval of the concerned ministries or departments, in consultation with the DPIIT (as mentioned above), or the RBI, if the activity of the investee-company fulfill the conditions prescribed for the Automatic Route. These conditions include certain eligibility norms, pricing requirements, subscription in foreign exchange, compliance with the Takeover Code (as described below), and ownership restrictions based on the nature of the foreign investor (as described below).

The Ministry of Finance has made prior approval from the Government mandatory for receiving foreign investments (including the subsequent transfer of ownership) from countries that share land border with India on or after April 22, 2020. This requirement also applies in cases where the beneficial owner of such foreign investment (both at the time of investment and any change thereafter due to transfer of ownership) is situated in or is a resident of a country sharing land border with India.

#### **Ownership Restrictions**

The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, or the SEBI FPI Regulations, have replaced the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.



In terms of applicable NDI Rules and the SEBI FPI Regulations, investments by Foreign Portfolio Investors (“FPIs”) shall only invest in the securities specified in the SEBI FPI Regulations, which include shares, debentures and warrants issued by a body corporate; listed or to be listed on a recognized stock exchange in India. Investment by FPIs in the equity shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of the equity share capital on a fully diluted basis of an Indian company through portfolio investments. In case the total holding of an FPI or investor group increases beyond 10% equity share capital of an Indian company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by an Indian company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI / Ministry of Finance, in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

Per the NDI Rules, a non-resident Indian (“NRI”) or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid - up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

#### *Subsequent Transfers*

Restrictions for subsequent transfers of shares of Indian companies between residents and NRIs are governed under the NDI Rules. For a transfer between a resident and a NRI of securities of an Indian company in the telecommunications sector, such as ours, no prior approval of either the RBI or the GOI is required, as long as the terms and conditions set out in the NDI Rules are complied with. These conditions and procedures include compliance with pricing guidelines, consent letters from the transaction parties, applicability of regulatory requirements such as FDI, and filing Form FC TRS with authorized bankers. However, please note that pursuant to Press Note 3, investment by persons or entities situated in or citizens of countries that share land border with India requires prior approval from the GOI. This includes transactions where the beneficial owner of the relevant investor is domiciled in or a citizen of a country that shares land border with India. Accordingly, investments from countries like Bangladesh, China (including Hong Kong and Macau), Pakistan, Nepal, Myanmar, Bhutan and Afghanistan (collectively the “Neighboring Countries”) or where the ‘beneficial owner’ of such Indian investment is situated in, or is a citizen of, any such Neighboring Countries, requires government approval. Please note that inclusion of Taiwan in the definition of Neighboring Countries is a grey area (considering the political status of Chinese Taipei and China) and foreign investment in India by an entity based in Taiwan may also trigger approval requirements.

The price of shares issued to NRIs under the FDI Policy cannot be less than the fair valuation of shares done by a SEBI registered merchant banker or a chartered accountant as per any internationally accepted pricing methodology on arm’s length basis, where the shares of the company are not listed on any recognized stock exchange in India. Where the issue of shares is on preferential allotment, the price applicable to transfers of shares from resident to non-resident are also subject to the pricing guidelines issued by the GOI. However, where NRIs are making investments in an Indian company in compliance with the provisions of the Companies Act, as applicable, by way of subscription to its Memorandum of Association, such investments may be made at face value, subject to their eligibility under the FDI Policy.

Transfers of shares or convertible debentures, by way of sale or gift, between two non-residents are not subject to Indian exchange control approvals or pricing restrictions. However, please see “—India selling restrictions” for a full description of the exchange control transfer regime (especially in relation to Neighboring Countries).

#### *Takeover Code*

Upon conversion of ADSs into equity shares, a holder of ADSs will be subject to the Takeover Code as prescribed by the SEBI.

#### *Reduction of limit for Overseas Direct Investment*

FEMA and the Foreign Exchange Management (Overseas Investment) Rules, 2022 issued thereunder also regulate overseas direct investments (“ODI”) by Indian companies. The total ODI an Indian company can make cannot exceed 400% of its net worth as per its last audited balance sheet, and subject to other restrictions under the Foreign Exchange Management (Overseas Investment) Rules, 2022 and the Foreign Exchange Management Act, 1999.

## *Fungibility of ADSs*

A limited two-way fungibility scheme has been put in place by the GOI for ADRs / GDRs. Under this Scheme, a stockbroker in India, registered with SEBI, can purchase shares of an Indian Company from the market for conversion into ADRs/GDRs based on instructions received from overseas investors. Re-issuance of ADRs / GDRs would be permitted to the extent of ADRs / GDRs which have been redeemed into underlying shares and sold in the Indian market.

Currently, there is no public trading market for our equity shares in India or elsewhere nor can we assure you that we will take steps to develop one. Our equity securities are only traded on NASDAQ through the ADSs as described in this report. Under prior Indian laws and regulations, our Depository could not accept deposits of outstanding equity shares and issue ADRs evidencing ADSs representing such equity shares without prior approval of the GOI. The Reserve Bank of India has announced fungibility regulations permitting, under limited circumstances, the conversion of ADSs to equity shares and the reconversion of equity shares to ADSs provided that the actual number of ADSs outstanding after such reconversion is not greater than the original number of ADSs outstanding. If you elect to surrender your ADSs and receive equity shares, you will not be able to trade those equity shares on any securities market and, under present law, likely will not be permitted to reconvert those equity shares to ADSs.

If in the future a market for our equity shares is established in India or another market outside of the United States, those shares may trade at a discount or premium to the ADSs. Under current Indian regulations and practice, the approval of the Reserve Bank of India is not required for the sale of equity shares underlying ADSs by a non-resident Indian to a resident Indian as well as for renunciation of rights to a resident of India, unless the sale of equity shares underlying the ADSs is through a recognized stock exchange or in connection with the offer made under the regulations regarding takeovers. The shareholders who intend transferring their equity shares shall comply with the procedural requirements set out under the head 'subsequent transfers' above.

The Government has not yet notified the scheme.

## *Transfer of ADSs and Surrender of ADSs*

A person resident outside India may transfer the ADSs held in Indian companies to another person resident outside India without any permission.

Under certain circumstances, the RBI must approve the sale of equity shares underlying ADSs by a non-resident of India to a resident of India. The RBI has given general permission to effect sales of existing shares or convertible debentures of an Indian company by a resident to a non-resident, subject to compliance with certain conditions and reporting requirements, including the price at which the shares must be sold.

Moreover, the transfer of shares between an Indian resident and a non-resident (other than a non-resident Indian, or NRI) does not require the prior approval of the GOI or RBI, provided that (i) the activities of the investee company are under the automatic route pursuant to the FDI Policy, and the transfer is not subject to regulations under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, (ii) the non-resident shareholding complies with sector limits under the FDI Policy and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and RBI. We are an unlisted company, and the Takeover Code is not applicable to us.

Additionally, except under certain limited circumstances, if an investor seeks to convert the Indian rupee proceeds from a sale of equity shares in India into foreign currency and then repatriate that foreign currency from India, it will have to obtain an additional approval from the RBI for each such transaction. Required approval from the RBI or any other Government agency may not be obtained on terms favorable to a non-resident investor or at all.

An ADS holder is permitted to surrender the ADSs held by it in an Indian company and to receive the underlying equity shares pursuant to the terms of the Deposit Agreement. Under Indian regulations, the re-deposit of these equity shares with the Depository for ADSs may not be permitted. Investors who exchange our ADSs for our underlying equity shares may be subject to the provisions of the Companies Act and to the disclosure obligations that may be necessary pursuant to the Deposit Agreement with our Depository. The Companies Act requires that, where the registered owner of shares does not hold the beneficial interest in such shares, both the registered owner and the beneficial owner of such equity shares are required to disclose to the Company the nature of their interest, particulars of the registered owner and certain other details.

Shareholders resident outside India who intend to sell, transfer or surrender our securities within India should seek the advice of Indian counsel to understand the requirements applicable at that time.

## *Government of India Approvals*

Pursuant to the RBI's regulations relating to sponsored ADS offerings, an issuer in India can sponsor the issue of ADSs through an overseas depository against underlying equity shares accepted from holders of its equity shares in India. The guidelines specify, among other conditions, that:

- the ADSs must be offered at a price determined by the lead manager of such offering;
- all equity holders may participate;
- the issuer must obtain special shareholder approval; and
- the proceeds must be repatriated to India within one month of the closure of the issue.

## *Voting Rights of Deposited Equity Shares Represented by ADSs*

Holders of ADSs generally have the right under the deposit agreement to instruct the depository bank to exercise the voting rights for the equity shares represented by the related ADSs. At our request, the depository bank will mail to the holders of ADSs any notice of shareholders' meeting received from us together with information explaining how to instruct the depository bank to exercise the voting rights of the securities represented by ADSs.

If the depository bank timely receives voting instructions from a holder of ADSs, it will endeavor to vote the securities represented by the holder's ADSs in accordance with such voting instructions. In the event that voting takes place by a show of hands, the depository bank will cause the custodian to vote all deposited securities in accordance with the instructions received by holders of a majority of the ADSs for which the depository bank receives voting instructions.

Please note that the ability of the depository bank to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure you that ADS holders will receive voting materials in time to enable them to return voting instructions to the depository bank in a timely manner. Securities for which no voting instructions have been received will not be voted except as discussed above.

As a foreign private issuer, we are not subject to the SEC's proxy rules, which regulate the form and content of solicitations by United States-based issuers of proxies from their shareholders. To date, our practice has been to provide advance notice to our ADS holders of all shareholder meetings and to solicit their vote on such matters, through the depository, and we expect to continue this practice. The form of notice and proxy statement that we have been using does not include all of the information that would be provided under SEC's proxy rules.

Under Indian law, ADS holders have the right to vote on any general meetings either by show of hands or by poll only on becoming the Shareholder of the Company by converting the ADS into equity shares of the Company.

## **Reserve Bank of India Monetary Policy during Financial Year 2025-2026:**

- The Repo Rate under the Liquidity Adjustment Facility ("LAF") was progressively reduced during FY 2025-2026 and stood at 5.25% as of March 2026.
- The Reverse Repo Rate under the LAF was retained at 3.35% throughout the fiscal year
- The Cash Reserve Ratio ("CRR") was reduced and stood at 3.00% as of March 2026 to support liquidity conditions in the banking system
- Consequent to the reduction in the Repo Rate to 5.25%, the Standing Deposit Facility ("SDF") rate stood at 5.00%, while the Marginal Standing Facility ("MSF") rate and the Bank Rate stood at 5.50% as of March 2026
- The GOI continued to review export support measures for exporters, particularly for the Micro, Small and Medium Enterprises ("MSME") sector, amid global economic uncertainties and volatile trade conditions during FY 2025-2026.
- During the fiscal year 2025-2026, the Indian rupee depreciated sharply against the USD and closed at approximately Rs. 94.65 / USD as of March 31, 2026, primarily due to foreign capital outflows, elevated crude oil prices and geopolitical tensions
- Brent Crude Oil prices remained highly volatile during FY 2025-2026 due to geopolitical tensions in the Middle East and supply-side uncertainties. Prices increased significantly during March 2026 and crossed USD 110 per barrel towards the end of the fiscal year.

## **SEC Clawback Rules**

On October 26, 2022, the SEC adopted the final compensation clawback rules (the “SEC Clawback Rules”) that require listed issuers (with limited exceptions) to (i) develop and implement a clawback policy to recover excess incentive compensation from executive officers if amounts were based on material misstatements in the financial reports, (ii) file the clawback policy as an exhibit to their annual report and (iii) include disclosures in their SEC filings if recovery is triggered under their clawback policy. The final rules were published in the Federal Register on November 28, 2022.

The SEC Clawback Rules and the related listing standards of the NYSE mandated issuers listed on the NYSE to adopt a compliant clawback policy no later than December 1, 2023. Accordingly, we adopted a clawback policy which was approved by the Board in October 2023.

## TAXATION

### Material Indian Taxation Considerations

Given below is the summary of tax implications for holders of ADSs and equity shares, upon withdrawal of such ADSs and equity shares, who are not resident in India, whether of Indian origin or not. These tax provisions are governed by the Income-tax Act, 1961 (the “Act”) read with the Issue of Foreign Currency Convertible Bonds and Equity Shares (through Depository Receipt Mechanism) Scheme, 1993 (the “1993 Scheme”) and the Depository Receipts Scheme, 2014, as amended.

This section is not intended to constitute a complete analysis of the individual tax consequences to non-resident holders under Indian law for the acquisition, ownership, and sale of ADSs or equity shares. Personal tax consequences of an investment may vary for non-resident holders in various circumstances, and potential investors should therefore consult their tax advisors on tax consequences of such acquisition, ownership, and sale, including specifically the tax consequences under the law of the jurisdiction of their residence and any tax treaty between India and their country of residence. Each prospective investor should consult his, her or its own tax advisors with respect to Indian and local tax consequences of acquiring, owning, or disposing of equity shares or ADSs.

It is essential to determine residential status to figure out the taxability of income on transfer of ADSs or equity shares.

### Residential status of individuals

A person is said to be resident in India during any fiscal year if he or she stays in India in that year:

- For a period of at least 182 days or
- For a period of at least 60 days and, within the four preceding years has been in India for a period or periods amounting to at least 365 days.

However, in case a:

- citizen of India who leaves India in a previous year for the purposes of employment outside of India,
- citizen of India or a person of Indian origin living abroad who visits India

then, the second condition as mentioned above will be applicable only if the person stays in India for a minimum of 182 days as against 60 days in the relevant fiscal year.

Further, the Finance Act, 2020 has amended the provisions of residential status as below:

- In case of Indian citizens or a person of Indian origin living abroad visiting India having total income, other than income from foreign source, exceeding Rs. 15 lakhs, the period of stay would be considered as 120 days as against 60/ 182 days as provided above. Further such person would be treated as Resident but Not Ordinarily Resident (RNOR) if his stay in India is less than 182 days.
- Further, an Indian citizen would be deemed to be a Resident of India if his total income (not including foreign-sourced income) exceeds Rs. 15 lakhs during the previous year and if he/she is not liable to income tax in any other country or territory by reason of his domicile or residence or any other criteria of similar nature. Such person who is deemed to be resident of India would be treated as RNOR.

## **Residential status of corporates**

As per the provisions of the Act a Company is said to be resident in India, if –

- i. it is an Indian Company or
- ii. its place of effective management, in that year is in India.

If none of the aforesaid conditions are satisfied, the Company is treated as a non-resident as per the Act.

- The Finance Act, 2015 brought in a concept called Place of Effective Management ('POEM'). POEM was defined as a place where key management and commercial decisions that are necessary for conduct of business as an entity, as a whole are, in substance, made. Thus, a foreign Company will become a resident of India if its POEM is in India.
- POEM is an internationally recognized test for determination of residence of a company incorporated in a foreign jurisdiction. OECD recognized POEM as a tie-breaker rule for determining residential status and hence most of Double Taxation Avoidance Agreements ("DTAA") with India recognize it as a tie-breaker rule.

The CBDT issued a circular dated January 24, 2017 ("January Circular") wherein it laid down certain guiding principles to be followed for determination of POEM. Some of the relevant guidelines are as follows:

- i. The January Circular clarifies that a company shall be said to be engaged in "active business outside India" if the passive income of such a company is not more than 50% of its total income; and (i) less than 50% of its total assets are situated in India; and (ii) less than 50% of total number of employees are situated in India or are resident in India; and (iii) the payroll expenses incurred on such employees is less than 50% of its total payroll expenditure.
- ii. Any determination of the POEM will depend upon the facts and circumstances of a given case.
- iii. Since "residence" is to be determined for each year, POEM will also be required to be determined on a year-to-year basis. The process of determination of POEM would be primarily based on the fact as to whether or not the company is engaged in active business outside India.
- iv. The POEM in case of a company engaged in active business outside India shall be presumed to be outside India if the majority meetings of the board of directors of the company are held outside India. However, if on the basis of facts and circumstances it is established that the board of directors of the company are standing aside and not exercising their powers of management and such powers are being exercised by either the holding company or any other person (s) resident in India, then the place of effective management shall be considered to be in India.

The CBDT issued a supplemental circular dated February 23, 2017, wherein it stated that the January Circular would not apply to companies having turnover or gross receipts of Rs. 50,00,00,000 (Rupees fifty crore) or less in a financial year. It further clarified that Section 6(3)(ii) of the IT Act shall not apply to a company having turnover or gross receipts of Rs. 50,00,00,000 (Rupees fifty crore) or less in a financial year.

If any foreign entity is determined to have a POEM in India, it will be considered an Indian resident. If a foreign company selling shares of an Indian company to an Indian buyer is determined to have a POEM in India, it will be taxed as an Indian resident. Therefore, any seller claiming non-resident status should be able to demonstrate that it does not have a POEM in India.

- Further, the GOI also prescribed guidelines specifying the exceptions, modifications, and adaptations to the provisions of the Act relating to computation of total income, treatment of unabsorbed depreciation, set off or carry forward and set off of losses, collection and recovery and special provisions relating to avoidance of tax applicable to foreign companies having POEM in India vide CBDT Notification No. 29/2018 dated June 22, 2018. This could increase the burden of compliances for our subsidiary companies situated outside India.

### **Scope of Taxability of Income earned by a Non-Resident in India:**

A non-resident shall be liable to tax in India in respect of following incomes only:

- i. Income received or is deemed to be received in India in such year; or
- ii. Income accrues or arises or is deemed to accrue or arise to him in India during such year.

The below mentioned income shall be deemed to accrue or arise in India in respect of the equity shares and ADRs:

- A. The income accruing or arising, directly or indirectly, through or from—
- a. any asset or source of income in India; or
  - b. any property in India; or
  - c. any business connection in India; or
  - d. the transfer of a capital asset situated in India,
  - e. shall be deemed to accrue or arise in India.

It is to be noted that, an asset or capital asset, being any share or interest in a company or entity registered or incorporated outside India, shall be deemed to be situated in India if the share or interest derives, directly or indirectly, its value substantially from the assets located in India. It is provided that a share or interest in a company or entity registered or incorporated outside India shall be deemed to derive its value substantially from the assets located in India, if, on the specified date, the value of such assets:

- i. exceeds Rs. 10 Crore; and
- ii. represents at least 50% of the value of all the assets owned by the company or entity, as the case may be.

It is further provided that no income shall be deemed to accrue or arise to a non-resident from transfer, outside India, of any share of, or interest in, a company or an entity, registered or incorporated outside India, as referred to above:

- i. if such company or entity directly owns the assets situated in India and the transferor (whether individually or along with its associated enterprises), at any time in the twelve months preceding the date of transfer, neither holds the right of management or control in relation to such company or entity, nor holds voting power or share capital or interest exceeding five per cent of the total voting power or total share capital or total interest, as the case may be, of such company or entity; or
- ii. if such company or entity indirectly owns the assets situated in India and the transferor (whether individually or along with its associated enterprises), at any time in the twelve months preceding the date of transfer, neither holds the right of management or control in relation to such company or entity, nor holds any right in, or in relation to, such company or entity which would entitle him to the right of management or control in the company or entity that directly owns the assets situated in India, nor holds such percentage of voting power or share capital or interest in such company or entity which results in holding of (either individually or along with associated enterprises) a voting power or share capital or interest exceeding five per cent of the total voting power or total share capital or total interest, as the case may be, of the company or entity that directly owns the assets situated in India;

B. Any dividend paid by an Indian company outside India shall be deemed to accrue or arise in India.

The Act provides that for a non-resident or a foreign company, the provisions under the Act or the relevant Double Taxation Avoidance Agreement, whichever is more beneficial, would apply.

#### **Taxation of Dividend received on Equity Shares**

Dividend income from an Indian company will be taxed in the hands of shareholders based on their respective applicable tax rates. Accordingly, companies are required to withhold taxes on the dividends paid to shareholders as per the relevant provisions of the Act, while also adhering to the provisions of the applicable DTAA.

**Where the ADSs comply with the conditions of section 115AC / 115ACA of the Act and the Depository Receipts Scheme, 2014, the amount of dividend on ADSs is taxable at the rate of 10%.**

The dividend received by a non-resident from investment in shares of an Indian company is subjected to a withholding tax rate of 20%.

### Capital gains earned by Non-residents:

- To enable Non-residents to invest in Indian companies without having to be involved with the Indian capital market, the Government has come out with a scheme under which the Indian company issues shares or convertible debentures / bonds in foreign currency. The shares / bonds are issued in the official name of an Indian depository / custodian. Under a back- to-back arrangement, an overseas depository issues Global Depository Receipts (GDRs) to the non-resident investors. GDRs include American Depository Receipts (ADRs). These receipts are tradable on an overseas exchange.

In essence the investment is in shares or bonds of an Indian company, but through GDR mechanism. However, as they are independently tradable, they are like simple derivative instruments.

- In 2008, the Government came out with “Foreign Currency Exchangeable Bonds Scheme 2008” (FCEB). Under this scheme, the FCEBs are issued by the Indian company to non-residents under the GDR mechanism. The non-resident can exchange the bond, with the equity shares of a listed company, which is held by the FCEB issuing company (the issuing company and the listed company have to belong to the same group). Thus, bonds are “exchanged” for shares. The strength of the listed company is used to raise funds by a group company.
- Section 115AC deals with taxation of income from GDRs purchased by non-residents out of foreign currency or capital gains arising from their transfer. The incomes covered are dividend, interest and long-term capital gain.

### Capital gains related to GDRs

- **Scope**  
Section 5 of the Income-tax Act (“the Act”) provides for the scope of income taxable in India for non-residents. Section 5(2) of the Act provides that income which is received; accrues or arises; or is deemed to accrue or arise to a non-resident in India is taxable under the Act.
- **Charge of tax**  
Section 45 of the Act provides that any profits or gains arising from the transfer of a capital asset effected in the previous year shall be chargeable to tax under the head “Capital gains” and shall be deemed to be income of the previous year in which the transfer took place.
- **Source of income**  
A cumulative reading of the above provisions results in capital gains arising in the hands of a non-resident in India if the transfer of the capital assets happens in India.
- **Deeming Provision**  
Section 9 of the Act further extends this scope by deeming certain incomes to arise in India. Capital gains that would be deemed to arise in India under Section 9 would be all income arising, whether directly or indirectly, through the transfer of a capital asset situated in India. It envisages taxability in a case where income may arise outside India due to transfer happening outside India but is still deemed to arise in India if the capital asset transferred is situated in India.

There can be three taxable events in case of GDRs. The taxability which can arise at each event is mentioned below:

#### a) On trading in GDRs

If the transfer happens outside India, there is no tax, provided that the transaction is between two non-residents. The scheme and Section 47(viia) clearly state this. Long-term gain & short-term gain – both are exempt from tax – on transfer of GDRs.

**b) On conversion of GDR into underlying share**

If the GDR is converted into shares by the investor, then it may amount to a gain on exchange. But the scheme is silent. It in fact proceeds on the assumption that only when the converted shares are sold, there is a tax.

**c) On sale of underlying shares**

The following provisions pertain to taxation of capital gains as per the provisions of the Act:

- Effective fiscal year 2016-2017, shares (including shares issuable on the conversion of the ADSs) held by the non-resident investor for a period of more than 24 months are treated as long term capital assets. If the shares are held for a period of less than 24 months from the date of conversion, the same is treated as short term capital asset.
- Taxable gain realized by a non-resident in respect of equity shares held for more than 24 months, or long-term gain, is subject to tax.
- Long Term Capital Gain exceeding ₹125,000 arising from sale of equity shares in a Company or a unit of an equity-oriented fund or a unit of a business trust will be taxable at the rate of 12.5%(excluding applicable surcharge and cess)
- Taxable gain realized in respect of equity shares held for 24 months or less, or short-term gain, is subject to tax at variable rates with a maximum rate of 40.00% (excluding applicable surcharge and cess).
- Any capital gain arising from the sale of Shares will be subject to relief, if any, available to the non-resident under an applicable DTAA subject to compliance with the relevant conditions.
- Any capital gain tax paid by a non-resident on the transaction of sale of Shares may be eligible for tax credit in the home jurisdiction subject to the provisions of the domestic tax laws of the home jurisdiction read with the applicable tax treaty. The capital gains tax is computed by applying the appropriate tax rates to the difference between the sale price and the purchase price of the equity shares.

**Withholding Tax on Capital Gains**

Any taxable gain realized by a non-resident on the sale of ADSs or equity shares is to be subject to withholding of tax at source by the buyer at the rate of 12.5%.

The person responsible for making the payment shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by the issue of a check or draft or by any other mode, whichever is earlier, deduct income tax thereon at the rate of 12.5 per cent subject to any concession rate of tax provided under the applicable DTAA, read together with the applicable MLI. The concessional tax rate benefit as per DTAA would be available subject to providing various tax forms including Tax Residency Certificate by non-resident shareholders.

**Buy-back of Securities**

The sum paid by a domestic company for the purchase of its own shares shall be treated as dividend in the hands of shareholders who received payment from such buy-back of shares and shall be charged to income-tax at applicable rates. The said income would be subjected to withholding tax rates similar to that of dividends.

No deduction for expenses shall be available against such dividend income while determining the income from other sources. The cost of acquiring the shares that have been bought back would give rise to a capital loss in the hands of the shareholder, as these assets have been extinguished. Therefore, when the shareholder has any other capital gain from the sale of shares or otherwise, he would be entitled to claim his original cost of acquisition of all the shares.

## Applicability of GAAR:

The provisions of General Anti Avoidance Rule (GAAR) are contained in Chapter X-A of the Income Tax Act, 1961. The GAAR provisions shall be effective from assessment year 2018-19 onwards, i.e., financial year 2017-18 onwards. The necessary procedures for application of GAAR and conditions under which it shall not apply, have been enumerated in Rules 10U to 10UC of the Income-tax Rules, 1962.

GAAR provisions apply with respect to the shares issued post 31st March 2017, on conversion of Compulsory convertible Preference shares (CCPS), Foreign Currency Convertible Bonds (FCCBs), Global Depository Receipts (GDRs), acquired prior to 1st April 2017 based on the circular No.7 of 2017 issued by the CBDT.

The GAAR provisions to deal with the Organization for Economic Co-operation and Development's Base Erosion and Profit Shifting project, of which India is an active participant, were applicable from fiscal year 2018. Pursuant to GAAR, an arrangement in which the main purpose, or one of the main purposes, is to obtain a tax benefit and may be declared as an "impermissible avoidance arrangement" if it also satisfies at least one of the following four tests. If any of our transactions are found to be impermissible avoidance arrangements under GAAR, our business, financial condition and results of operations may be adversely affected.

a) The arrangement creates rights and obligations, which are not normally created between parties dealing at arm's length.

b) It results in misuse or abuse of provisions of tax laws.

c) It lacks commercial substance or is deemed to lack commercial substance.

d) It is carried out in a manner which is normally not employed for a bona fide purpose.

Grandfathering under Rule 10U(1)(d) will be available to investments made before 1st April 2017 in respect of instruments compulsory convertible from one form to another, at terms finalized at the time of issue of such instruments.

**Significant Economic Presence:** As part of the Base Erosion and Profit Shifting (BEPS) measure, to address the tax challenges caused by the digital companies, India has introduced the Significant Economic Presence (SEP) provisions through the Finance Act 2018. An Explanation 2A to Section 9(1)(i) of the Income-tax Act, 1961 (Act) was introduced, and the SEP is in addition to business connection. The provisions will apply to the Financial Year beginning on or after 01 April 2021. This amendment has increased the scope of taxation for non-resident in India. As per the amendment, if the non-resident carries out any transaction regarding goods, services, or property with a resident in India and exceeds the limit of INR 2 Crores, then a SEP is triggered.

**Impact of OECD Pillar 1 and Pillar 2 recommendation:** Notably, in July and October 2021, the OECD/G20 Inclusive Framework set out the general rules for redefined jurisdictional taxation rights and a global minimum tax. In December 2022, the EU member states voted unanimously to adopt a directive implementing the Pillar 2 (global minimum tax) rules, giving member states until December 31, 2023, to implement the directive into national legislation. The OECD expects that the implementation of these new principles will begin globally in 2024. India is one of the 137 jurisdictions that has agreed, in principle, to the adoption of the global minimum tax rate. As the Two Pillar solution is subject to implementation by each member country, the timing and ultimate impact of any such changes on our tax obligations and increase in our effective tax rate is uncertain.

Post introduction of SEP, the business connection under Section 9(1)(i) of the Income Tax Act are subject to three mutually exclusive categories:

- Traditional business connection – based on the activity of the non-resident in India
- Dependent Agent business connection – based on the activity of agent as per Explanation 2
- SEP – based on Value and User threshold

**Goods and Service Tax:** Brokerage or commission paid to stockbrokers in connection with the sale or purchase of shares is subject to levy of the Goods and Services Tax at an effective rate of 18%.

## **Overview of New Income Tax Act 2025**

- The government formally notified the Income-tax Act, 2025(ITA 2025) on 21 August 2025, and it has come into force on 1 April 2026. Accordingly, beginning the Financial Year 2026-2027, the new ITA 2025 would be applicable.
- To operationalize the new Act, the Government notified the new Income-tax Rules, 2026 and related forms (2026 Rules) under ITA 2025 on 20 March 2026. The new Rules replaced the earlier Income Tax Rules, 1962 with effect from 1 April 2026.
- It is to be noted that the new legislation has simplified India's income tax framework primarily through linguistic changes and removal of redundant provisions, while remaining substantively aligned with the ITA 1961—including scope of total income, heads of income, computation of income, and tax rates—with limited substantive changes.
- The ITA, 2025 replaces “previous year” and “assessment year” with a single unified term – “Tax Year”. The Tax Year is simply aligned to the financial year (1 April to 31 March).
- The ITA, 2025 is structural overhaul — not a policy reform. The Tax rates, TDS rates and thresholds, due dates, GAAR, international tax remain unchanged.
- Apart from the above, major changes in the ITA, 2025 in respect of documentation required for processing payments to non-residents (if DTAA benefit is claimed) are as mentioned below:
  - i. Mandatory Filing of Form 41 in the Income Tax e-filing portal (replacing the erstwhile Form 10F in ITA 1961)
  - ii. Submission of Tax residency certificate
  - iii. Declaration of no Permanent Establishment in India

### **Significance of No Permanent Establishment (PE) Declaration:**

The concept of Permanent Establishment (PE) serves primarily to determine the right of a country to tax the profits of an enterprise belonging to another country. The Double Tax Avoidance Agreements (DTAAs) define PE to establish the threshold at which a non-resident business income is taxable in a source country.

Under the domestic laws of most countries, business profits earned by a foreign enterprise operating within their taxable territory are subject to tax beyond a prescribed threshold. In India, for example, a non-resident's income is taxable if it accrues, or is deemed to accrue, from a "business connection" in India.

At the same time, the same income may be subject to tax in the jurisdiction where the foreign enterprise is resident, giving rise to the risk of double taxation. In such situations the DTAAs provide clarity on the respective taxing rights of the source country and the country of residence. One of the objectives of a tax treaty is to resolve the claims of competing jurisdictions where an enterprise is resident in one country and carries out business activities in another.

Where a DTAA is in force, the central question is whether the foreign enterprise carries on business through a PE in the country where its profits are generated. If no PE exists, the enterprise may be taxed only in its country of residence, and the source country has no claim over its business profits. Conversely, where a PE does exist, the profits attributable to that PE may be taxed by the country in which it is situated. Furthermore, where a PE is in existence, the country where it is located may also tax its capital gains, dividends, interest and royalties that are effectively connected to such PE.

The scope and definition of PE are governed by Article 5 of the applicable DTAA. Determining whether a PE exists requires careful analysis of the relevant treaty language, drawing on the OECD and UN Model Tax Conventions as well as established judicial precedent.

In light of the above, ascertaining whether a non-resident has a PE in India is critical to determining the extent of their tax liability on business income earned in the country.

**Stamp Duty and Transfer Tax:** Upon issuance of the equity shares underlying our ADSs, companies will be required to pay a stamp duty of 0.1% per share of the issue price of the underlying equity shares. A transfer of ADSs is not subject to Indian stamp duty. However, upon the acquisition of equity shares from the depository in exchange for ADSs, the non-resident holder will be liable for Indian stamp duty at the rate of 0.25% of the market value of the ADSs or equity shares exchanged. A sale of equity shares by a nonresident holder will also be subject to Indian stamp duty at the rate of 0.25% of the market value of the equity shares on the trade date, although customarily such tax is borne by the transferee. Shares must be traded in dematerialized form. The transfer of shares in dematerialized form is currently not subject to stamp duty.

**Gift Tax:** The Finance Act, 2017, inserted provisions related to tax on the receipts of any sum of money, by any person either without consideration or for an inadequate consideration for value exceeding ₹ 50,000 (Stamp duty value in case of immovable property) during the year. The same is exempt from tax if it is received from any relative, occasion of marriage, under a will or by way of inheritance, or in contemplation of death of the payer or donor.

**Base Erosion and Profit Shifting (“BEPS”):** The Company operates in various countries and any change in tax rates or tax laws of any country could have impact on taxes. There may be changes in tax rates in some countries as a result of the Organization for Economic Co-operation and Development’s Pillar Two Blueprint of the Inclusive Framework on BEPS which has an objective of having a global minimum tax rate. There could be other changes in international tax laws and practices as a result of other pillars of BEPS (including tax on digital services) which may potentially impact our tax cost.

Prospective purchasers should consult their own tax advisors with respect to Indian and their local tax consequences of acquiring, owning, or disposing of equity shares or ADSs.

### **Material U. S. Federal Income Tax Consequences**

The following is a summary of the material U.S. federal income tax consequences that may be relevant with respect to the ownership and disposition of equity shares or ADSs and is for general informational purpose only. This summary addresses the U.S. federal income tax considerations of U.S. holders. For purposes of this discussion, “U.S. holders” are beneficial owners of equity shares or ADSs who or that are (a) individuals who are citizens or residents of the United States for U.S. federal income tax purposes, (b) corporations (or other entities treated as corporations for U.S. federal income tax purposes) created in or under the laws of the United States or any political subdivision thereof, (c) estates, the income of which is includable in gross income for U.S. federal income tax purposes, regardless of its source and (d) trusts having a valid election to be treated as “United States persons” (within the meaning of Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”)) in effect under U.S. Department of the Treasury regulations (“U.S. Treasury Regulations”) or the administration of which a U.S. court exercises primary supervision and with respect to which a United States person has the authority to control all substantial decisions.

This summary is limited to U.S. holders who hold or will hold equity shares or ADSs as capital assets (generally property held for investment). In addition, this summary is limited to U.S. holders who are not residents in India for purposes of the Convention between the Government of the United States of America and the Government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the “Convention”).

This summary does not address any tax considerations arising under the laws of any U.S. state, U.S. local or non-U.S. jurisdiction, or any tax considerations under U.S. estate, gift or other non-income tax laws. In addition, this summary does not address tax considerations applicable to holders that may be subject to special tax rules, such as banks, insurance companies, regulated investment companies, real estate investment trusts, financial institutions, dealers in securities or currencies, tax-exempt entities, persons subject to alternative minimum tax, persons subject to special accounting rules under Section 451(b) of the Code, persons that will hold equity shares or ADSs as a position in a “straddle” or as part of a “hedging” or “conversion” transaction for tax purposes, persons holding equity shares or ADSs through partnerships or other pass-through entities and investors therein, persons that have a “functional currency” other than the U.S. dollar or holders owning directly, indirectly or through the application of certain constructive ownership rules, 10% or more, by voting power or value, of the shares of our Company. This summary is based on the Code, the U.S. Treasury Regulations in effect or, in some cases, proposed, as of the date of this document, as well as judicial and administrative interpretations thereof available on or before such date and is based in part on the assumption that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms. All of the foregoing is subject to change, which could apply retroactively and could affect the tax consequences described below.

Changes in U.S. federal income tax laws or regulations, or the interpretation thereof, could materially impact the U.S. federal income taxation of the ownership and disposition of our equity shares or ADSs for U.S. holders. While this discussion reflects our current understanding of applicable U.S. federal income tax laws, it is possible that future legislation could be enacted that would significantly alter the tax consequences described herein. We cannot predict whether, when, or in what form such changes may occur.

If a partnership (or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the equity shares or ADSs, the tax treatment of a partner in such partnership will generally depend upon the status of the partner and upon the activities of the partnership. A partner in a partnership holding equity shares or ADSs should consult its own tax advisor.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL, U.S. STATE, U.S. LOCAL AND NON-U.S. TAX CONSEQUENCES OF ACQUIRING, OWNING OR DISPOSING OF EQUITY SHARES OR ADSs

*Ownership of ADSs.* For U.S. federal income tax purposes, holders of ADSs generally will be treated as the owners of equity shares represented by such ADSs. Accordingly, the conversion of ADSs into equity shares generally will not be subject to U.S. federal income tax.

*Dividends.* Subject to the passive foreign investment company (“PFIC”) rules described below, the gross amount of any distributions of cash or property (other than, generally, distributions of our equity shares) with respect to equity shares or ADSs will generally be included in income by a U.S. holder as foreign source dividend income at the time of receipt, which in the case of a U.S. holder of ADSs generally should be the date of receipt by the depository, to the extent such distributions are made from the current or accumulated earnings and profits (as determined under U.S. federal income tax principles) of our Company. Such dividends will not be eligible for the dividends received deduction (“DRD”) generally allowed to corporate U.S. holders, other than certain corporate U.S. holders who own 10% or more of the equity in our Company (including ADSs). Such U.S. holders should consult their tax advisors regarding any DRD to which they are entitled. To the extent, if any, that the amount of any distribution by our Company exceeds our Company’s current or accumulated earnings and profits as determined under U.S. federal income tax principles, such excess will be treated first as a tax-free return of capital to the extent of the U.S. holder’s tax basis in the equity shares or ADSs and thereafter as capital gain. However, because we do not intend to determine our earnings and profits under U.S. federal income tax principles, any distribution will generally be treated as a dividend for U.S. federal income tax purposes.

Subject to certain conditions and limitations, including the PFIC rules described below, dividends paid to non-corporate U.S. holders, including individuals, may be eligible for a reduced rate of taxation if we are deemed to be a “qualified foreign corporation” for U.S. federal income tax purposes and certain holding period requirements are met (including the requirement that the non-corporate U.S. holder holds the equity shares or ADSs for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date).

A qualified foreign corporation generally includes a non-U.S. corporation (1) with respect to any dividend it pays on its shares (or ADSs in respect of such shares) that are readily tradable on an established securities market in the United States, or (2) it is eligible for the benefits under a comprehensive income tax treaty with the United States meeting certain requirements. In addition, a corporation is not a qualified foreign corporation if it is a PFIC (as discussed below) for the taxable year in which the dividend is paid or the preceding taxable year. Our ADSs are traded on the NASDAQ, an established securities market in the United States as identified by Internal Revenue Service (“IRS”) guidance. We may also be eligible for benefits as a result of the Convention. Each U.S. holder should consult his, her or its own tax advisor regarding the treatment of such dividends and such holder’s eligibility for a reduced rate of taxation.

Subject to certain conditions and limitations, Indian dividend withholding tax, if any, imposed upon distributions paid to a U.S. holder with respect to such holder’s equity shares or ADSs generally should be eligible for credit against the U.S. holder’s U.S. federal income tax liability. Alternatively, a U.S. holder may claim a deduction for such amount, but only for a year in which a U.S. holder does not claim a credit with respect to any non-U.S. income taxes. The overall limitation on non-U.S. income taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, distributions on equity shares or ADSs generally will be income from sources outside the United States and will generally be “passive category income” for purposes of computing the U.S. “foreign tax credit” allowable to a U.S. holder. No foreign tax credit or deduction is allowed for taxes paid or accrued with respect to a dividend that qualifies for the DRD. The rules governing U.S. foreign tax credits are complex and have been subject to changes that introduced additional requirements and limitations. Furthermore, the application of such rules depends on the particular circumstances of each U.S. holder. Therefore, each U.S. holder should consult his, her or its own tax advisor with respect to the availability of U.S. foreign tax credits to such U.S. holder’s particular circumstances.

If dividends are paid in Indian rupees, the amount of the dividend distribution included in the income of a U.S. holder will be in the U.S. dollar value of the payments made in Indian rupees, determined at a spot exchange rate between Indian rupees and U.S. dollars applicable to the date such dividend is included in the income of the U.S. holder, regardless of whether the payment is in fact converted into U.S. dollars. Generally, gain or loss, if any, resulting from currency exchange fluctuations during the period from the date the dividend is paid to the date such payment is converted into U.S. dollars will be treated as U.S. source ordinary income or loss.

*Sale or Exchange of Equity Shares or ADSs.* A U.S. holder generally will recognize gain or loss on the sale or exchange of equity shares or ADSs equal to the difference between the amount realized on such sale or exchange and the U.S. holder's adjusted tax basis in the equity shares or ADSs, as the case may be. Subject to the discussion of the PFIC rules below, such gain or loss generally will be capital gain or loss, and generally will be long-term capital gain or loss if the equity shares or ADSs, as the case may be, were held for more than one year. Gain or loss, if any, recognized by a U.S. holder generally will be treated as U.S. source passive category income or loss for U.S. foreign tax credit purposes. If capital gains realized by a U.S. holder upon the sale of equity shares or ADSs are subject to tax (including withholding tax) in India (see the "Withholding Tax on Capital Gains" discussion with respect to Indian taxes above), a U.S. holder may not be able to utilize any such taxes as a credit against the U.S. holder's U.S. federal income tax liability due to certain limitations on U.S. foreign tax credits.

*Backup Withholding Tax and Information Reporting.* Any dividends paid, or proceeds on a sale of, equity shares or ADSs to or by a U.S. holder may be subject to U.S. federal information reporting, and U.S. federal backup withholding, currently at a rate of 24%, may apply unless the holder is an exempt recipient or provides such holder's correct U.S. taxpayer identification number, certifies that such holder is not subject to backup withholding and otherwise complies with any applicable backup withholding requirements. Any amount withheld under the backup withholding rules may be allowed as a refund or credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

*Additional Tax on Net Investment Income.* U.S. holders that are individuals, estates or trusts and whose income exceeds certain thresholds are subject to a 3.8% tax on certain net investment income, including, among other things, dividends on, and capital gains from the sale or other taxable disposition of, equity shares or ADSs, subject to certain limitations and exceptions.

*Passive Foreign Investment Company.* A non-U.S. corporation will be classified as a PFIC for any taxable year for U.S. federal income tax purposes if either:

- 75% or more of its gross income for the taxable year is passive income; or
- 50% or more of its assets (determined based on a quarterly average) by value, or, if it is not a publicly traded corporation and so elects or is a controlled foreign corporation, by adjusted basis, and including its pro rata share of the assets of any company in which it is considered to own 25% or more by value, produce or are held for the production of passive income.

We do not believe that we satisfy either of the tests for PFIC status for the taxable year ended March 31, 2026. However, because this determination is made on an annual basis and depends on a variety of factors (including, potentially, the value of our equity shares or ADSs), no assurance can be given that we were not considered a PFIC in a prior taxable year, or that we will not be considered a PFIC for the current taxable year and/or future taxable years. If we were to be a PFIC for any taxable year, U.S. holders would be required to either:

- pay an interest charge together with tax calculated at ordinary income rates on "excess distributions," as the term is defined in relevant provisions of the Code, including on any gain on a sale or other disposition of equity shares or ADSs;
- if an election is made for us to be a "qualified electing fund" (as the term is defined in relevant provisions of the Code) in the first taxable year in which our Company is a PFIC during the period that the U.S. holder owns equity shares or ADSs, include in such U.S. holder's taxable income their pro rata shares of undistributed amounts of our income and gain; or
- if the equity shares or ADSs, as applicable, are "marketable" and a "mark-to-market" (as such terms are defined in the Code) election is made, mark-to-market the equity shares or ADSs each taxable year and recognize ordinary gain and, to the extent of prior ordinary gain, ordinary loss for the increase or decrease in market value for such taxable year.

If we are treated as a PFIC in any year, we do not plan to provide information necessary for U.S. holders to make the qualified electing fund election. As such, it is not expected that a U.S. holder will be able to make a qualified electing fund election with respect to our equity shares or ADSs.

If we are treated as a PFIC for any taxable year during which a U.S. holder holds the equity shares or ADSs, we will continue to be treated as a PFIC with respect to such U.S. holder for all succeeding years during which the U.S. holder holds the equity shares or ADSs, unless we were to cease to be a PFIC and the U.S. holder makes a “deemed sale” election with respect to the equity shares or ADSs.

In addition, certain U.S. federal information reporting obligations applicable to ownership of PFICs generally will apply to U.S. holders if we are determined to be a PFIC, such as annually filing an IRS Form 8621. Penalties may be imposed where applicable for failure to file IRS Form 8621.

*Information with Respect to Foreign Financial Assets.* Owners of “specified foreign financial assets” with an aggregate value in excess of \$50,000 on the last day of the taxable year, or \$75,000 at any time during the taxable year may be required to file information reports with respect to such assets with their U.S. federal income tax returns. Depending on your circumstances, higher threshold amounts may apply. “Specified foreign financial assets” include any financial accounts maintained by non-U.S. financial institutions, as well as any of the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts that have non-U.S. issuers or counterparties, and (iii) interests in non-U.S. entities. Our equity shares and ADSs may be treated as specified foreign financial assets and you may be subject to this information reporting regime. Failure to file information reports may subject you to penalties. You should consult your own tax advisor regarding your obligation to file information reports with respect to the equity shares or ADSs.

*Foreign Account Tax Compliance Act.* The U.S. Foreign Account Tax Compliance Act (“FATCA”) imposes, under certain circumstances, a 30% U.S. federal withholding tax on certain payments to certain non-U.S. entities that fail to comply with certain information reporting, account identification, withholding, certification and other FATCA-related requirements in respect of their direct and indirect U.S. shareholders and/or U.S. accountholders. To avoid becoming subject to FATCA withholding, we may be required to report information to the GOI or the IRS regarding our U.S. holders. Each U.S. holder should consult his, her or its own tax advisor regarding the application of FATCA to an investment in our equity shares or ADSs.

The above summary is not intended to be a complete analysis of all tax consequences relating to ownership of equity shares or ADSs. You should consult with your own tax advisors regarding the application of the U.S. federal income tax laws to your particular circumstances, as well as any additional tax consequences resulting from an investment in the equity shares or ADSs, including the applicability and effect of the tax laws of any U.S. state, U.S. local or non-U.S. jurisdiction, and any estate, gift and inheritance laws.

#### *Documents on Display*

This report and other information filed or to be filed by us can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of these materials can also be obtained from the Public Reference Section of the SEC, 100 F Street, NE., Washington, DC 20549, at prescribed rates. Additionally, all of our publicly filed SEC reports are available at the SEC’s website, [www.sec.gov](http://www.sec.gov), which contains all the public filings and other information regarding registrants that make electronic filings with the SEC using its EDGAR system.

Additionally, documents referred to in this Annual Report may be inspected at our corporate offices which are located at TIDEL Park, No. 4, Canal Bank Road, Taramani, Chennai, 600 113 India.

## ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

### General

Market risk is the risk of loss of future earnings, to fair values or to 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 currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency receivables, payables and debt. Our exposure to market risk is a function of our investment and borrowing activities and our revenue generating activities in foreign currency. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss.

### Risk Management Procedures

We manage market risk through a corporate treasury department, which evaluates and exercises independent control over the entire process of market risk management. Our corporate treasury department recommends risk management objectives and policies which are approved by senior management and our Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies on a daily basis.

Refer to note 38 of the notes to consolidated financial statements to this Annual Report for further analysis and exposure arising out of credit risk, liquidity risk and currency risk.

## Item 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

### American Depositary Shares

Citibank, N.A. served as the depository for our ADSs, pursuant to that certain Deposit Agreement by and between the Company and the Depository, dated as October 18, 1999, as amended from time to time.

Sify Technologies Limited appointed JPMorgan Chase Bank, N.A. (“JPMorgan”) as successor depository for the Company’s American Depositary Receipt (“ADR”) program, effective July 23, 2025. In connection with the appointment, the Company entered into an amended and restated deposit agreement with JPMorgan governing the ADR program. The A&R Deposit Agreement that appoints JPMorgan as successor depository, replacing Citibank, N.A., amends the prior deposit agreement between the Company and Citibank, N.A. and the form of ADR; and provides for the creation and issuance to holders of American depositary shares, evidenced by Direct Registration ADRs representing Sify’s equity shares deposited with JPMorgan’s custodian. Deposited equity shares are to be held by the custodian for the account and to the order of the depository for the benefit of holders of ADSs and may be withdrawn by holders upon surrender of their ADSs. Surrendered ADRs and ADSs are to be cancelled/destroyed by the Depository.

A registration statement on Form F-6 relating to the ADR program was filed with the U.S. Securities and Exchange Commission on July 10, 2025, and a form of the amended and restated deposit agreement was filed as an exhibit thereto. The change in depository does not affect the underlying ordinary shares of the Company represented by the ADRs, and holders of outstanding ADRs are not required to take any action in connection with the appointment of JPMorgan as successor depository. JPMorgan has notified registered ADR holders regarding the transition and related administrative matters. JPMorgan is a global financial services institution and a provider of depository receipt services for issuers worldwide.

ADS holders are required to pay various fees to the Depository and the Depository may refuse to provide any service for which a fee is assessed until the applicable fee has been paid. For purposes of this section, “Shares” means the Company’s equity shares.

The fees and charges payable by holders of our ADSs include the following:

Service	Rate
(1) Issuance of ADSs upon deposit of Shares (excluding issuances contemplated by paragraph (4) below).	Up to \$5.00 per 100 ADSs (or fraction thereof) issued.
(2) Delivery of Deposited Securities, property and cash against surrender of ADSs.	Up to \$5.00 per 100 ADSs (or fraction thereof) surrendered.
(3) Warrants or other instruments to acquire ADRs (i.e., sale of rights)	Up to \$5.00 per 100 ADSs (or fraction thereof) surrendered.
(4) Distribution of cash distributions made or for any elective cash/stock dividend offered	Up to \$0.05 per ADS held.
(5) Direct or indirect distribution of securities (other than ADSs or rights to purchase additional ADSs) or the net cash proceeds from the public or private sale of any such securities.	Up to \$0.05 per ADSs issued.
(6) Depository Services.	Up to U.S. \$ 0.05 per ADS held on the applicable record date(s) established by the Depository.
(7) ADS Conversion Fee	Up to \$5.00 per 100 ADS (or fraction thereof) converted from one ADS series

Additionally, under the terms of our deposit agreement, the depository is entitled to charge each registered holder, beneficial owner, persons depositing Shares and person surrendering ADS for cancellation and for the purpose of withdrawing deposited securities the following:

- (i) taxes (including applicable interest and penalties) and other governmental charges;

- (ii) such registration fees as may from time to time be in effect for the registration of shares or other deposited securities on the share register and applicable to transfers of shares or other deposited securities to or from the name of the custodian, the Depository or any nominees upon the making of deposits and withdrawals, respectively;
- (iii) such SWIFT and facsimile transmission or other method of communication and delivery expenses as are expressly provided in the Deposit Agreement to be at the expense of the person depositing shares or holders and beneficial owners of ADSs;
- (iv) the expenses and charges incurred by the Depository in the conversion of foreign currency;
- (v) such fees and expenses as are incurred by the Depository in connection with compliance with exchange control regulations and other regulatory requirements applicable to shares, deposited securities, ADSs and ADRs; and
- (vi) the fees and expenses incurred by the Depository in connection with the delivery of deposited securities.

Depository fees payable upon (i) deposit of equity shares against issuance of ADSs and (ii) surrender of ADSs for cancellation and withdrawal of deposited equity shares will be charged by the Depository to the person to whom the ADSs so issued are delivered (in the case of ADS issuances) and to the person who delivers the ADSs for cancellation to the Depository (in the case of ADS cancellations). In the case of ADSs issued by the Depository into DTC or presented to the Depository via DTC, the ADS issuance and cancellation fees will be payable to the Depository by the DTC Participant(s) receiving the ADSs from the Depository or the DTC Participant(s) surrendering the ADSs to the Depository for cancellation, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC Participant(s) to the account(s) of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participant(s) as in effect at the time. Depository fees in respect of distributions and the depository services fee are payable to the Depository by holders as of the applicable ADS Record Date established by the Depository. In the case of distributions of cash, the amount of the applicable Depository fees is deducted by the Depository from the funds being distributed. In the case of distributions other than cash and the Depository service fee, the Depository will invoice the applicable holders as of the ADS Record Date established by the Depository. For ADSs held through DTC, the Depository fees for distributions other than cash and the Depository service fee are charged by the Depository to the DTC Participants in accordance with the procedures and practices prescribed by DTC from time to time and the DTC Participants in turn charge the amount of such fees to the beneficial owners for whom they hold ADSs.

### **Ratio Change**

On October 1, 2024, the Company announced a change in its ADS to equity shares ratio from the then-current ratio of (1) ADS representing one (1) equity share, to a new ratio, where one (1) ADS represents six (6) equity shares. The ADS Ratio Change became effective on October 4, 2024. There was no change to the Company's equity shares.

### **Direct and Indirect Payments by the Depository to Sify**

Pursuant to the Deposit Agreement with JPMorgan Chase Bank, N.A, we have received ₹ Nil (approximately US\$ Nil) from JPMorgan Chase Bank, N.A. during the fiscal year ended March 31, 2026, in connection with our ADS Program.

## PART II

### Item 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

### Item 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

### Item 15. CONTROLS AND PROCEDURES

#### *Disclosure Controls and Procedures*

As of the end of the period covered by this Annual Report on Form 20-F, our management, with the participation of our CEO and CFO, has carried out an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), on March 31, 2026. The term “disclosure controls and procedures” means controls and other procedures that are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our CEO and CFO, as appropriate to allow timely decisions regarding our required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well conceived and operated, can only provide reasonable assurance that the objectives of the disclosure controls and procedures are met.

Based on their evaluation as of the end of the period covered by this Annual Report on Form 20-F, our CEO and CFO have concluded that our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed in filings and submissions under the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified by the SEC’s rules and forms, and that material information related to us and our consolidated subsidiaries is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions about required disclosure.

#### **Remediation of Previously Disclosed Material Weaknesses**

A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. As most recently disclosed in our Annual Report on Form 20-F/A for the fiscal year ended March 31, 2024, our management concluded that our disclosure controls and procedures were not effective because of material weaknesses in our internal control over financial reporting with respect to classification and presentation of financial instruments.

To remediate the identified material weaknesses, the Company took the following measures consistent with those disclosed within “Item 15. Controls and Procedures — Management’s Plan to Remediate the Identified Material Weakness” in our Form 20-F/A for the period ended March 31, 2024:

- Strengthened the specific controls whereby senior finance and accounting policy personnel perform an in-depth comprehensive review of classification and presentation of financial instruments including a review of disclosures and specific presentation evaluation to enforce operating effectiveness.
- Augment the IFRS expertise in our accounting team by imparting specific training in evaluation and presentation of financial instruments.

These initiatives have resulted in significant improvements in our internal control framework and in our overall control environment, as well as control activities related to our finance and accounting policies. As relevant controls have been designed, implemented, and operated for a sufficient period of time to address the previously disclosed material weakness, management has concluded that the material weakness has been remediated and continued to be remediated as of March 31, 2026.

***Management's annual report on internal control over financial reporting***

1. Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Our internal control over financial reporting includes those policies and procedures that:
  - pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets
  - provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
  - provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

2. Management assessed the effectiveness of our internal control over financial reporting as of March 31, 2026. In conducting its assessment of internal control over financial reporting, management based its evaluation on the framework in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Based on our assessment, management has concluded that our internal control over financial reporting was effective as of March 31, 2026.

***Changes in internal control over financial reporting***

There have been no changes in our internal control over financial reporting that occurred subsequent to year end that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Our independent registered public accounting firm, Manohar Chowdhry & Associates, has audited the consolidated financial statements included in this Annual Report on Form 20-F, and as part of their audit, has issued their report, included herein, on the effectiveness of our internal control over financial reporting as of March 31, 2026.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### To the shareholders and the Board of Directors of Sify Technologies Limited

#### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Sify Technologies Limited (the “Company”) and its subsidiaries (the Company and its subsidiaries are together referred to as “Group”) as of March 31, 2026, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Group maintained, in all material respects, effective internal control over financial reporting as of March 31, 2026, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated financial statements as of and for the year ended March 31, 2026, of the Group and our report dated June 24, 2026, expressed an unqualified opinion on those consolidated financial statements.

#### Basis for Opinion

The Group’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Group’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

#### Definition and Limitations of Internal Control over Financial Reporting

A Company’s internal 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 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 unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ **Manohar Chowdhry & Associates**

Chartered Accountants

UDIN: 26237830SMPMEE8587

We have served as the Company's auditor since fiscal 2022.

Chennai, India

June 24, 2026

#### Changes in internal control over financial reporting

During the period covered by this Annual Report, there were no changes in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

**Item 16A. AUDIT COMMITTEE FINANCIAL EXPERT**

Mr. Arun Seth, a member of our audit committee, has been deemed “independent” as per the applicable SEC and NASDAQ rules. The Board of Directors has determined that Mr. Arun Seth is the “audit committee financial expert” as defined by the applicable rules of the SEC. See Item 6 for description of Mr. Arun Seth’s relevant experience.

**ITEM 16 B. CODE OF ETHICS**

The Company has adopted a Code of Conduct and Conflict of Interest Policy that is applicable to all employees. The text of the policy was filed as an Exhibit under Item 19 to the Annual Report for the year ended March 31, 2005. This policy is available on our corporate website <http://sifytechnologies.com/investors/Company-profile/code-of-conduct>.

We have also adopted a written Code of Ethics, as defined in Item 406 of Regulation S-K, applicable to our principal executive officer, principal financial officer, principal accounting officer and all officers working in our finance, accounting, treasury, tax, legal, purchase, investor relations functions, disclosure committee members and senior management, as well as members of the audit committee and the Board of Directors. This policy is available on our corporate website <http://sifytechnologies.com/investors/Company-profile/code-of-conduct/>. We will post any amendments to, or waivers from, our Code of Ethics at this location on our website. We will provide to any person without charge, upon request by mail, a copy of this Code of Ethics by requesting such from our agent for investors relations at 909, 3rd Avenue, New York, NY 10022, United States.

Our Audit Committee has also adopted a Whistleblower Policy wherein it has established procedures for receiving, retaining and treating complaints received, and procedures for the confidential, anonymous submission by employees of complaints regarding questionable accounting or auditing matters, conduct which results in a violation of law by Sify or in a substantial mismanagement of Company resources. Under this policy, our employees are encouraged to report questionable accounting matters, any reporting of fraudulent financial information to our shareholders, the Government or the financial markets, any conduct that results in a violation of law by Sify to our management (on an anonymous basis, if employees so desire). Under this policy, we have prohibited discrimination, retaliation or harassment of any kind against any employee who, based on the employee's reasonable belief that such conduct or practices have occurred or are occurring, reports that information or participates in an investigation.

**Item 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The following table sets forth for the fiscal years indicated the fees paid to our principal accountant and its associated entities for various services provided to us in these periods.

Type of Service	Fiscal year ended	
	March 31, 2026	March 31, 2025
(a) Audit Fees	₹ 11.61 million	₹ 9.00 million
(b) Audit Related Fees	₹ 1.01 million	₹ 2.84 million
(c) Tax Fees	-	-
(d) All Other Fees	-	-

Our Audit Committee requires pre-approval of all audit and permissible non-audit services to be performed for the Company by its independent auditors, subject to the de-minimis exception for non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934.

#### **Item 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

We have not sought any exemption from the listing standards for audit committees applicable to us as foreign private issuer, pursuant to Rule 10(A)-3(d) of the Securities Exchange Act of 1934.

#### **Item 16E. PURCHASE OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

None.

#### **Item 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT**

**Not applicable.**

#### **Item 16 G. Corporate Governance**

NASDAQ Marketplace Rule 5615(a) (3) provides that a foreign private issuer may follow its home country practice in lieu of the requirements of Rule 5600 series, provided such foreign private issuer shall disclose in its annual reports filed with SEC or on its website each requirement that it does not follow and describe the home country practice followed by the issuer in lieu of such requirements.

Under the NASDAQ Marketplace Rule 5620 (c), companies, other than limited partnerships, that maintain a listing on NASDAQ are required to provide for a quorum as specified in its by-laws for any meeting of its stockholders, and in no case shall the quorum be less than 33-1/3% of the outstanding shares of a Company's common voting stock. In India, the requirement for a quorum is the presence of at least five shareholders in person. Our Articles of Association provide that a quorum for a General Meeting of our shareholders is constituted by the presence of at least five shareholders in person. Hence, we do not meet the quorum requirements under Rule 5620 (c), and instead we follow our home country's practice. Under the NASDAQ Marketplace Rule 5620 (b), companies, other than limited partnerships, that maintain a listing on NASDAQ are required to solicit proxies and provide proxy statements for all meetings of shareholders and also provide copies of such proxy solicitation to NASDAQ. However, the SEC proxy rules are not applicable to us, since we are a foreign private issuer, and Section 176 of the Indian Companies Act prohibits a Company incorporated under that Act from soliciting proxies. Because we are prohibited from soliciting proxies under Indian law, we will not meet the proxy solicitation requirement of Rule 5620 (b). However, as described above, we give written notices of all our shareholder meetings to all the shareholders and we also file such notices with the SEC. With regard to issuance of securities, we also comply with the home country's regulations.

Mr. Raju Vegesna and entities under his control hold more than 50% of the voting power for the election of directors. As such, we may be deemed a "controlled company" under NASDAQ Marketplace Rule 5615(c). Although we do not intend to rely on the controlled company exemptions under the NASDAQ listing rules even if we are a controlled company, we could elect to rely on these exemptions in the future, and if so, you would not have the same protection afforded to securityholders of companies that are subject to all of the corporate governance requirements of NASDAQ.

#### **National Guidelines on Responsible Business Conduct**

On March 13, 2019, the Ministry of Corporate Affairs (MCA), GOI, has established a set of guidelines and principles called the National Guidelines on Responsible Business Conduct (NGRBC). The Company affirms its consonance with the principles of the National Guidelines on Responsible Business Conduct (NGRBC).

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

## **Item 16 H. Mine Safety Disclosure**

Not Applicable.

## **Item 16 I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

Not Applicable.

## **Item 16J: Insider Trading Policies**

We have adopted insider trading policies and procedures governing the purchase, sale, and other dispositions of the registrant's securities by directors, senior management, and employees that are reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and any listing standards applicable to us. We amended the insider trading policy on March 9, 2026.

The amended policy is filed as Exhibit 11.2 to this Annual Report.

## **Item 16K. Cybersecurity:**

Sify Technologies Limited and its subsidiaries have processes in place for assessing, identifying, and managing material risks from potential unauthorized access to its information systems that could adversely affect the confidentiality, integrity, or availability of the information systems or the information stored on those systems. These include a wide variety of mechanisms, controls, technologies, methods, systems, and other processes that are designed to prevent, identify, detect, recover & respond, or mitigate data loss, theft, misuse, unauthorized access, or other security incidents or vulnerabilities affecting the data.

From a business perspective, this means protecting key information assets and complying with applicable international and national data privacy and protection laws, information security policies and contractual obligations. The Company's Information Security Policy, adopted in information security management objectives and principles, and the Data Protection Policy, provides for a consistent level of enterprise-wide data protection. The data includes confidential, proprietary, business and personal information that is collected, processed, stored, and transmitted as part of business, including on behalf of third parties. The Company also uses systems and processes designed to reduce the impact of a security incident at a third-party vendor or customer. Additionally, the Company uses processes to oversee and identify material risks from cybersecurity threats associated with our use of third-party technology and systems, including technology and systems we use for encryption, authentication, employee email and other functions.

The organization policies are applicable to Sify Technologies and its subsidiaries and are part of the overall Information Security Management System (ISMS) that is currently being operationalized. Processes for assessing, identifying, and managing material risks from cybersecurity threats are integrated into the overall enterprise risk management system, which is developed with input from internal and external experts. The company collaborates with external experts to maintain our security posture and conduct periodic vulnerability assessment and penetration testing done. The main cyber and information security objectives are to maintain information confidentiality, integrity, and availability.

As part of the risk management process, we conduct application security assessments, vulnerability management, penetration testing, security audits, and ongoing risk assessments. The organization has a robust incident response process which includes identify, detect, reporting, response and recover process to comply with various regulatory requirements, when incidents are detected. All employees are required to mandatorily undertake data protection, security and compliance programs annually. Our senior leadership oversees our efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools (including AI-enabled security tools) deployed in our IT Systems environment.

In addition to the internal cybersecurity capabilities, as and when required, we also engage assessors, consultants, auditors, or other third parties to assist with assessing, identifying, and managing cybersecurity risks.

The cybersecurity risks and associated mitigations which forms part of our enterprise risk assessment are evaluated by Chief Information Officer, and reviewed by the Audit Committee. Such risks and mitigations are also subject to oversight by our Board of Directors.

During the year ending March 31, 2026, the Company did not identify any material cybersecurity incidents that may have materially affected us, but we face certain ongoing risks from cybersecurity threats that, if realized, are reasonably likely to affect us which can be referred in the "Risks Related to our Company and Industry" section under heading "Cybersecurity threats could damage our reputation or result in liability to us"

## **PART III**

### **Item 17. Financial Statements**

See Item 18

### **Item 18. Financial Statements**

### **Consolidated Statements and other Financial Information**

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### To the Shareholders and the Board of Directors of Sify Technologies Limited

#### Opinion on the Consolidated Financial Statements

We have audited the accompanying Consolidated Statement of Financial Position of Sify Technologies Limited (the “Company”) and its subsidiaries (the Company and its subsidiaries together are referred to as “Group”) as of March 31, 2026 and 2025, the related Consolidated Statement of Profit or Loss as per IFRS 18, Consolidated Statement presenting Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statements of Cash Flows, for each of the three years in the period ended March 31, 2026, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of March 31, 2026 and 2025, and the consolidated results of its operations and its cash flows for each of the three years in the period ended March 31, 2026, in conformity with the International Financial Reporting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Group's internal control over financial reporting as of March 31, 2026, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated June 24, 2026, expressed an unqualified opinion on the Group's internal control over financial reporting.

#### Basis for Opinion

These consolidated financial statements are the responsibility of the Group’s management. Our responsibility is to express an opinion on the Group's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

#### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

#### Valuation of Trade receivables

##### *Critical Audit Matter Description*

The collectability of the Group’s aged Trade Receivables and the valuation of allowance for impairment of Trade Receivables is a Critical Audit Matter due to the judgement involved in assessing the recoverability. The Trade Receivables as at March 31, 2026 is INR 12,648 million and Allowance for doubtful receivables charged in the Consolidated Statement of Profit or Loss for the year ended March 31, 2026 is INR 164 million.

##### *How the Critical Audit Matter Was Addressed in the Audit*

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 Group’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 trade 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 Group’s management (information and explanation provided by them) and evidences collected, we understood and evaluated the reason for delay in realisation of the trade 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 Consolidated Statement of Profit or Loss for the year ended March 31, 2026.

/s/ Manohar Chowdhry & Associates (5341)

Chartered Accountants

UDIN: 26237830QMEQKS3143

We have served as the Company's auditor since fiscal 2022.

Chennai, India

June 24, 2026

**Sify Technologies Limited**

**Consolidated Statement of Financial Position**

(In millions of Rupees, except share data and as otherwise stated)

	Note	As of March 31,		As of March 31,
		2026 ₹	2025 ₹	2026 Convenience translation into US\$ millions Note 2(c)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	43,481	38,915	459
Right-of-use assets	7	9,376	8,822	99
Intangible assets other than goodwill	6	601	696	6
Financial assets				
(i) Investments	11	1,405	1,229	15
(ii) Other financial assets	12	2,812	2,393	30
Other non-current non-financial assets	10	3,545	1,696	38
Current tax assets, non-current (net)	13	3,143	3,106	33
Deferred tax assets (net)	14	1,459	1,396	15
<b>Total non-current assets</b>		<b>65,822</b>	<b>58,253</b>	<b>695</b>
<b>Current assets</b>				
Current inventories	15	2,893	3,959	31
Financial asset				
(i) Trade receivables	16	12,648	10,916	134
(ii) Restricted cash	8	974	454	10
(iii) Other bank deposits	8	-	1,307	-
(iv) Cash and cash equivalents	8	4,098	4,997	43
(v) Other financial assets	17	215	319	2
Other current non-financial assets	9	4,023	3,124	43
<b>Total current assets</b>		<b>24,851</b>	<b>25,076</b>	<b>263</b>
<b>Total assets</b>		<b>90,673</b>	<b>83,329</b>	<b>958</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Issued capital	18	4,359	4,354	46
Retained earnings		(9,166)	(7,805)	(97)
Share premium		19,803	19,780	209
Other equity interest	18A	3,406	3,406	36
Other reserves		531	394	6
<b>Total equity attributable to equity holders of the Company</b>		<b>18,933</b>	<b>20,129</b>	<b>200</b>

**Sify Technologies Limited**

**Consolidated Statement of Financial Position**

(In millions of Rupees, except share data and as otherwise stated)

	Note	As of March 31,		As of March 31,
		2026	2025	2026
		₹	₹	Convenience translation into US\$ millions Note 2(c)
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Non-current financial liabilities				
(i) Borrowings	20	23,205	28,225	245
(ii) Lease liabilities	7	3,416	3,617	36
(iii) Other financial liabilities	21	4,030	52	43
Non-current provisions				
(i) Provision for employee benefits	19	190	201	2
Other non-current liabilities	22	7,160	3,290	76
<b>Total non-current liabilities</b>		<b>38,001</b>	<b>35,385</b>	<b>402</b>
<b>Current liabilities</b>				
Current financial liabilities				
(i) Borrowings	20	15,399	11,255	162
(ii) Lease liabilities	7	486	193	5
(iii) Bank overdraft	8	-	326	-
(iv) Trade payables	23	7,455	8,052	79
(v) Other financial liabilities	24	3,357	2,168	35
Current provisions				
(i) Provision for employee benefits	19	49	45	1
Other current liabilities	25	6,968	5,623	74
Current tax liabilities	13	25	153	0
<b>Total current liabilities</b>		<b>33,739</b>	<b>27,815</b>	<b>356</b>
<b>Total liabilities</b>		<b>71,740</b>	<b>63,200</b>	<b>758</b>
<b>Total equity and liabilities</b>		<b>90,673</b>	<b>83,329</b>	<b>958</b>

The accompanying notes form an integral part of these consolidated financial statements.

Note: 0 represents amount below the rounding off norm adopted by the Group.

**Sify Technologies Limited**

**Consolidated Statement of Profit or Loss as per IFRS 18**  
(In millions of Rupees, except share data and as otherwise stated)

	Note	For the Year ended March 31,			For the Year ended March 31,
		2026 ₹	2025 ₹	2024 ₹	2026 Convenience translation into US\$ millions Note2(c)
Revenue	26	44,877	39,886	35,634	474
Cost of sales	28	(26,843)	(24,917)	(22,378)	(284)
<b>Gross profit</b>		<b>18,034</b>	<b>14,969</b>	<b>13,256</b>	<b>190</b>
Other operating income		376	363	379	4
Selling, general and administrative expenses	29	(8,123)	(7,442)	(6,462)	(86)
Depreciation and amortization	5,6&7	(7,274)	(5,633)	(4,773)	(77)
<b>Operating profit</b>		<b>3,013</b>	<b>2,257</b>	<b>2,400</b>	<b>31</b>
Investment income		34	188	156	0
Impairment provision on investment		(26)	-	-	(0)
<b>Profit before financing and income taxes</b>		<b>3,021</b>	<b>2,445</b>	<b>2,556</b>	<b>31</b>
Finance income	32	1	13	-	0
Interest expenses on borrowings	32	(3,614)	(2,443)	(1,952)	(38)
Interest expenses on pension liabilities	32	(13)	(2)	(2)	(0)
Interest expenses on lease liabilities	32	(336)	(299)	(250)	(4)
<b>Net finance income / (expense)</b>		<b>(3,962)</b>	<b>(2,731)</b>	<b>(2,204)</b>	<b>(42)</b>
<b>Profit/ (Loss) before tax</b>		<b>(941)</b>	<b>(286)</b>	<b>352</b>	<b>(11)</b>
Tax (expense) / benefit	14	(425)	(499)	(183)	(4)
<b>Profit/(Loss) for the year</b>		<b>(1,366)</b>	<b>(785)</b>	<b>169</b>	<b>(15)</b>
<b>Attributable to:</b>					
Owners of the parent		(1,366)	(785)	169	(15)
Non-controlling interest		-	-	-	-
		<b>(1,366)</b>	<b>(785)</b>	<b>169</b>	<b>(15)</b>
<b>Earnings per share</b>	<b>33</b>				
Basic earnings per share		(3.14)	(2.10)	0.92	(0.03)
Diluted earnings per share		(3.14)	(2.10)	0.91	(0.03)

The accompanying notes form an integral part of these consolidated financial statements.

Note: 0 represents amount below the rounding off norm adopted by the Group.

**Sify Technologies Limited**

**Consolidated Statement presenting Comprehensive Income**  
(In millions of Rupees, except share data and as otherwise stated)

	Year ended March 31,			2026 Convenience translation into US\$ millions Note2(c)
	2026 ₹	2025 ₹	2024 ₹	
<b>Profit/(Loss) for the year</b>	<b>(1,366)</b>	<b>(785)</b>	<b>169</b>	<b>(15)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of the net defined benefit liability/asset	13	(3)	(20)	0
Income tax on items that will not be reclassified subsequently to profit or loss	(1)	-	-	(0)
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations	68	17	5	1
<b>Total other comprehensive income, net of taxes</b>	<b>82</b>	<b>14</b>	<b>(15)</b>	<b>1</b>
<b>Total comprehensive income</b>	<b>(1,284)</b>	<b>(771)</b>	<b>154</b>	<b>(14)</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent	(1,284)	(771)	154	(14)
Non-controlling interest	-	-	-	-
	<b>(1,284)</b>	<b>(771)</b>	<b>154</b>	<b>(14)</b>

Note: 0 represents amount below the rounding off norm adopted by the Group.

**Sify Technologies Limited**

**Consolidated Statement of Changes in Equity**

(In millions of Rupees, except share data and as otherwise stated)

For year ended March 31, 2026

Particulars	Equity attributable to the owners of parent								Non-controlling interest*	Total equity
	Issued Capital	Share premium	Other equity interest*	Other reserves			Retained earnings	Total		
				Share based payment reserve	Other component s of equity (Includes FCTR and General Reserve)					
<b>Balance at April 1,2025</b>	<b>4,354</b>	<b>19,780</b>	<b>3,406</b>	<b>250</b>	<b>144</b>	<b>(7,805)</b>	<b>20,129</b>	<b>-</b>	<b>20,129</b>	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82</b>	<b>(1,366)</b>	<b>(1,284)</b>	<b>-</b>	<b>(1,284)</b>	
Reclassification of Compulsorily Convertible Debentures	-	-	-	-	-	-	-	-	-	
<b>Transactions with owners, recorded directly in equity</b>										
Shares issued on exercise of ESOP	5	22	-	-	-	-	27	-	27	
Rights issue of shares	-	-	-	-	-	-	-	-	-	
Transaction costs related to rights issue of equity shares	-	-	-	-	-	-	-	-	-	
Debtenture premium on issue of Non-Convertible Debentures	-	-	-	-	-	-	-	-	-	
Dividend paid on Non-Cumulative Compulsorily Convertible Preference Shares	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	5	5	-	5	
Acquisition of equity shares in subsidiary without change in control	-	-	-	-	-	-	-	-	-	
Acquisition of preference shares in subsidiary without change in control	-	-	-	-	-	-	-	-	-	
Transferred from share based payment reserve on exercise of ESOP	-	1	-	(2)	1	-	-	-	-	
Share – based payment transactions	-	-	-	56	-	-	56	-	56	
<b>Balance as at March 31,2026</b>	<b>4,359</b>	<b>19,803</b>	<b>3,406</b>	<b>304</b>	<b>227</b>	<b>(9,166)</b>	<b>18,933</b>	<b>-</b>	<b>18,933</b>	

\* Refer note 18A.

**Sify Technologies Limited**

**Consolidated Statement of Changes in Equity**

(In millions of Rupees, except share data and as otherwise stated)

For year ended March 31, 2025

Particulars	Equity attributable to the owners of parent									
	Issued Capital	Share premium	Other equity interest*	Other reserves			Retained earnings	Total	Non-controlling interest*	Total equity
				Share based payment reserve	Other component s of equity (Includes FCTR and General Reserve)					
<b>Balance at April 1,2024</b>	<b>1,846</b>	<b>19,733</b>	<b>2,724</b>	<b>352</b>	<b>43</b>	<b>(6,626)</b>	<b>18,072</b>	<b>-</b>	<b>18,072</b>	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>(785)</b>	<b>(771)</b>	<b>-</b>	<b>(771)</b>	
Reclassification of Compulsorily Convertible Debentures	-	-	682	-	-	-	682	-	682	
<b>Transactions with owners, recorded directly in equity</b>										
Shares issued on exercise of ESOP	8	24	-	-	-	-	32	-	32	
Rights issue of shares	2,500	-	-	-	-	-	2,500	-	2,500	
Transaction costs related to rights issue of equity shares	-	-	-	-	-	(52)	(52)	-	(52)	
Debenture premium on issue of Non-Convertible Debentures	-	6	-	-	-	-	6	-	6	
Dividend paid on Non-Cumulative Compulsorily Convertible Preference Shares	-	-	-	-	-	(23)	(23)	-	(23)	
Acquisition of equity shares in subsidiary without change in control <sup>#</sup>	-	-	-	-	-	(88)	(88)	-	(88)	
Acquisition of preference shares in subsidiary without change in control <sup>#</sup>	-	-	-	-	-	(231)	(231)	-	(231)	
Transferred from share based payment reserve on exercise of ESOP	-	17	-	(104)	87	-	-	-	-	
Share – based payment transactions	-	-	-	2	-	-	2	-	2	
<b>Balance as at March 31,2025</b>	<b>4,354</b>	<b>19,780</b>	<b>3,406</b>	<b>250</b>	<b>144</b>	<b>(7,805)</b>	<b>20,129</b>	<b>-</b>	<b>20,129</b>	

\* Refer note 18A.

# Refer note 18A(d) & (e).

**Sify Technologies Limited**

**Consolidated Statement of Changes in Equity**

(In millions of Rupees, except share data and as otherwise stated)

For year ended March 31, 2024

Particulars	Issued Capital	Share premium	Other equity interest*	Share based payment reserve	Other component s of equity (Includes FCTR and General Reserve)	Retained earnings/(a ccumulate d deficit)	Total	Non-controlling interest*	Total equity
<b>Balance as at April 1, 2023</b>	1,841	19,685	-	361	53	(6,795)	15,145	-	15,145
<b>Total comprehensive income for the year</b>	-	-	-	-	(15)	169	154	-	154
Compulsorily Convertible Debentures presented as Equity	-	-	2,724	-	-	-	2,724	-	2,724
<b>Transactions with owners, recorded directly in equity</b>									
Shares issued on exercise of ESOP	5	37	-	-	-	-	42	-	42
Transaction costs related to equity	-	-	-	-	-	-	-	-	-
Transferred from share based payment reserve on exercise of ESOP	-	11	-	(16)	5	-	-	-	-
Share-based payment transactions	-	-	-	7	-	-	7	-	7
<b>Balance as at March 31, 2024</b>	<u>1,846</u>	<u>19,733</u>	<u>2,724</u>	<u>352</u>	<u>43</u>	<u>(6,626)</u>	<u>18,072</u>	<u>-</u>	<u>18,072</u>

\* Refer note 18A.

**Sify Technologies Limited**

**Consolidated Statements of Cash Flows**

(In millions of Rupees, except share data and as otherwise stated)

	<b>For the Year ended March 31,</b>			<b>2026 Convenience Translation into US\$ millions (Unaudited) Note2(c)</b>
	<b>2026 ₹</b>	<b>2025 ₹</b>	<b>2024 ₹</b>	
Operating Profit for the year	3,013	2,257	2,400	31
<i>Adjustments for:</i>				
Depreciation and amortization & Impairment of goodwill	7,274	5,633	4,773	77
(Gain) / loss on sale of property, plant and equipment	(27)	(18)	0	(0)
Provision for doubtful receivables/ advances	164	195	265	2
Stock compensation expense	56	2	7	1
Income from lease termination	(1)	-	-	(0)
Unrealized (gain)/ loss on account of exchange differences	(37)	7	34	(0)
Amortization of leasehold prepayments	-	-	1	-
<b>Cash flow from operating activities before working capital changes</b>	<b>10,442</b>	<b>8,076</b>	<b>7,480</b>	<b>111</b>
Change in trade receivables - current	(1,831)	(928)	831	(19)
Change in inventories	1,067	(566)	(1,451)	11
Change in Other financial assets - Current and non-current	(386)	(545)	(1,139)	(4)
Change in Other assets - Current and non-current	(1,025)	(470)	(166)	(11)
Change in trade payables	(4,764)	1,791	1,170	(50)
Change in Other financial liabilities - Current and non-current	378	256	(323)	4
Change in Other liabilities - Current and non-current	3,152	1,737	1,332	33
Change in Other Bank Deposits	787	(31)	(534)	8
Change in employee benefits	6	49	20	0
<b>Cash generated from operations</b>	<b>7,826</b>	<b>9,369</b>	<b>7,220</b>	<b>83</b>
Income taxes (paid)/ refund received	(650)	(722)	(1,285)	(7)
<b>Net cash from / (used in) operating activities</b>	<b>7,176</b>	<b>8,647</b>	<b>5,935</b>	<b>76</b>

Note: 0 represents amount below the rounding off norm adopted by the Group.

**Sify Technologies Limited**

**Consolidated Statements of Cash Flows**

**For the fiscal years ended March 31,**

(In millions of Rupees, except share and per share data and as otherwise stated)

	<b>For the Year ended March 31,</b>			<b>2026 Convenience Translation into US\$ millions (Unaudited) Note2(c)</b>
	<b>2026 ₹</b>	<b>2025 ₹</b>	<b>2024 ₹</b>	
<b>Cash flows from / (used in) investing activities</b>				
Purchase of property, plant and equipment	(11,956)	(11,094)	(11,121)	(126)
Acquisition of intangible assets				
Proceeds from sale of property, plant and equipment	27	105	2	0
Investments in corporate debt securities & Equity	(138)	(10)	(154)	(1)
Investments in preference shares	-	(231)	-	-
Investment income received	96	128	71	1
Amount paid for acquisition of right of use assets	(934)	(1,222)	(1,256)	(10)
<b>Net cash from / (used in) investing activities</b>	<b>(12,905)</b>	<b>(12,324)</b>	<b>(12,458)</b>	<b>(136)</b>
<b>Cash flows from / (used in) financing activities</b>				
Proceeds from issue of shares on exercise of options and issue of shares on right issue (including share premium)	27	2,532	42	0
Proceeds from / (repayment) of borrowings (net)	9,315	3,504	4,628	98
Payment of Dividend	-	(23)	-	-
Transaction costs related to rights issue of equity shares	-	(52)	-	-
Proceeds from issue of Non - Convertible Debentures	-	2,506	-	-
Proceeds from issue of Compulsorily convertible debentures	-	-	6,000	-
Principal payment of lease liabilities	(429)	(279)	(377)	(5)
Interest payment of lease liabilities	(336)	-	-	(4)
Finance expenses paid	(3,418)	(3,458)	(2,851)	(36)
<b>Net cash from / (used in) financing activities</b>	<b>5,159</b>	<b>4,730</b>	<b>7,442</b>	<b>53</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(570)</b>	<b>1,053</b>	<b>919</b>	<b>(7)</b>
Cash and cash equivalents on April 1	4,671	3,619	2,699	49
Effect of exchange fluctuations on cash held	(3)	(1)	1	(0)
<b>Cash and cash equivalents on March 31</b>	<b>4,098</b>	<b>4,671</b>	<b>3,619</b>	<b>42</b>

Refer note 3 (u) and note 8 for the composition of cash and cash equivalents.

**Disclosure relating to changes in liabilities arising from financing activities – Refer note below**

The accompanying notes form an integral part of these consolidated financial statements.

Note: 0 represents amount below the rounding off norm adopted by the Group.

**Note: Reconciliation of liabilities from financing activities**

Particulars	As on April 01, 2025	Proceeds	Principal	Interest	Movement in short term Borrowing	Net Cash flow	Foreign exchange movement	Non-cash movement			Processing Charges / Fair value changes	As on March 31, 2026
								Reclass	Additions (Net of deletions)	Interest		
Borrowings	35,374	11,516	(10,735)	-	4,504	40,659	(6)	(6,063)	-	-	3	34,593
Supplier finance arrangement	4,106	13,905	(14,000)	-	-	4,011	-	-	-	-	-	4,011
Lease Liability	3,810	-	(429)	(336)	-	3,045	4	-	516	336	1	3,902
<b>Total</b>	<b>43,290</b>	<b>25,421</b>	<b>(25,164)</b>	<b>(336)</b>	<b>4,504</b>	<b>47,715</b>	<b>(2)</b>	<b>(6,063)</b>	<b>516</b>	<b>336</b>	<b>4</b>	<b>42,506</b>

Particular	As on April 01, 2024	Proceeds	Principal	Interest	Movement in short term Borrowing	Net Cash flow	Foreign exchange movement	Non-cash movement			Processing Charges / Fair value changes	As on March 31, 2025
								Reclass	Additions (Net of deletions)	Interest		
Borrowings	30,015	15,153	(9,390)	-	244	36,022	(8)	(642)	-	-	2	35,374
Supplier finance arrangement	2,519	13,260	(11,673)	-	-	4,106	-	-	-	-	-	4,106
Lease Liability	3,043	-	(260)	(299)	-	2,484	1	-	1,027	299	(1)	3,810
<b>Total</b>	<b>35,577</b>	<b>28,413</b>	<b>(21,323)</b>	<b>(299)</b>	<b>244</b>	<b>42,612</b>	<b>(7)</b>	<b>(642)</b>	<b>1,027</b>	<b>299</b>	<b>1</b>	<b>43,290</b>

Particular	As on April 01, 2023	Proceeds	Principal	Interest	Movement in short term Borrowing	Net Cash flow	Foreign exchange movement	Non-cash movement			Processing Charges / Fair value changes	As on March 31, 2024
								Reclass	Additions (Net of deletions)	Interest		
Borrowings	21,528	14,184	(2,871)	-	(467)	32,374	23	(2,395)	-	-	13	30,015
Supplier finance arrangement	1,452	8,622	(7,555)	-	-	2,519	-	-	-	-	-	2,519
Lease Liability	2,451	994	(400)	-	-	3,045	1	-	-	-	(3)	3,043
<b>Total</b>	<b>25,431</b>	<b>23,800</b>	<b>(10,826)</b>	<b>-</b>	<b>(467)</b>	<b>37,938</b>	<b>24</b>	<b>(2,395)</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>35,577</b>

Note: Due to the disclosure of supplier finance arrangement with effect from 1<sup>st</sup> April 2024, the opening balance as on 1<sup>st</sup> April 2024 will be different when compared to the closing balance as on 31<sup>st</sup> March 2023.

**SIFY TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(In millions of Rupees, except share data and as stated otherwise)**

**1. Reporting entity**

Sify Technologies Limited (“Sify” or “the Company”) is a Company domiciled in India. The address of the Company’s registered office is 2nd Floor, Tidel Park, 4, Canal Bank Road, Taramani, Chennai – 600113, India. The Company and its subsidiaries Sify Technologies (Singapore) Pte. Limited, Sify Technologies North America Corporation, Sify Data and Managed Services Limited, Sify Infinit Spaces Limited, Sify Digital Services Limited and SKVR Software Solution Private Limited (are together referred to as the ‘Group’ and individually as ‘Group entities’). The Group offers converged Information and Communication Technology (ICT) solutions comprising Network- Connectivity services, Data Center services and Digital Services which include Cloud and Managed services, Applications Integration services. The Company was incorporated on December 12, 1995 and its ADRs are listed on the NASDAQ Capital Market. The financial statements are for the Group consisting of Sify Technologies Limited (the ‘Company’) and its subsidiaries.

On October 17, 2025, SISL, one of our subsidiaries, publicly filed a draft red herring prospectus with the Securities and Exchange Board of India, BSE Limited, and the National Stock Exchange of India Limited, in connection with its proposed IPO. The proposed IPO is expected to include a new issue of SISL equity shares aggregating up to ₹25,000 million and an offering of equity shares aggregating up to ₹12,000 million by certain existing and eligible shareholders of SISL. The IPO is subject to receipt of requisite regulatory approvals, market conditions and other applicable considerations.

**2. Basis of preparation**

**a. Statement of compliance**

The accompanying Consolidated Financial Statements of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations as issued by the International Accounting Standards Board (IASB). IASB issued IFRS 18 (Presentation and Disclosure in Financial Statements) replacing IAS 1 (Presentation of Financial Statements).

The financial statements have been prepared in accordance with **IFRS 18 *Presentation and Disclosure in Financial Statements***.

**Statement of Profit or Loss Structure**

Income and expenses in the Statement of Profit or Loss are classified into five distinct categories based on the nature of the underlying asset, liability, or transaction from which they are derived, or based on the Group’s specified main business activities:

- **Operating Category:** Includes all income and expenses that are not explicitly classified in the investing, financing, income taxes, or discontinued operations categories. It represents the primary revenue-producing operations of the Group, including impairment losses on operational assets.
- **Investing Category:** Includes income and expenses from assets that generate returns individually and largely independently of the Group’s other resources. It also includes the Group’s share of profit or loss from equity-accounted associates and joint ventures.
- **Financing Category:** Includes income and expenses arising from transactions that involve *only* the raising of finance, as well as interest effects on other liabilities not involving the raising of finance.
- **Income Taxes & Discontinued Operations Categories:** Classified in accordance with IAS 12 and IFRS 5 respectively.

**Mandatory Subtotals**

The Group presents the following newly defined, structured subtotals on the face of the Statement of Profit or Loss:

1. **Operating Profit or Loss**
2. **Profit or Loss Before Financing and Income Taxes**
3. **Profit or Loss**

**Presentation**

Operating expenses are presented on the face of the Statement of Profit or Loss classified by their **function** (e.g., Cost of Sales, Distribution Costs, Administrative Expenses), as this provides the most useful structured summary of the Group’s operations.

As required by IFRS 18, when operating expenses are allocated by function, the Group discloses a detailed breakdown of specific expenses **by nature** within the notes, limited to: depreciation, amortization, employee benefits, impairment losses, and inventory write-downs.

**Policy for Management-defined Performance Measures (MPMs)**

MPMs are subtotals of income and expenses used in public communications outside the financial statements (e.g., management discussions, investor presentations) to communicate management’s view of an aspect of the financial performance of the Group as a whole, which are not specifically defined or required by IFRS Accounting Standards.

The Group discloses these measures in a single, dedicated note to the financial statements. This disclosure includes:

- A description of why the subtotal provides useful information and how it reflects management's view of performance.
- A detailed reconciliation between the MPM and the most directly comparable mandatory IFRS 18 subtotal.
- The income tax effect and the effect on non-controlling interests for each reconciling item.
- A consistent calculation methodology period-over-period. If a change in definition occurs, the Group provides comparative restatements and explains the reasons for the modification.

#### **Policy for Aggregation, Disaggregation, and FX Gains/Losses**

#### **Materiality and Grouping of Information**

Items are aggregated in the primary financial statements and notes based on shared characteristics and disaggregated based on non-shared characteristics. The Group avoids the use of non-specific labels such as "Other Income" or "Other Expenses." Where such groups are unavoidable due to immateriality of individual components, a detailed breakdown or descriptive explanation of the constituent parts is provided in the notes.

**Foreign Currency Translation & Derivatives** Foreign exchange gains and losses are classified in the Statement of Profit or Loss in the same category as the transactions or underlying items that gave rise to them. Gains and losses on derivative instruments not designated in a hedging relationship are classified in the **Operating Category**, unless the derivative is used to manage an identified risk that originates from investing or financing activities.

#### **Net interest expense on a net defined benefit liability**

Net interest expense on a net defined benefit liability is classified under the financing category.

#### **Interest, fair value gains and losses on financial assets**

Interest income from debt instruments, and impairment loss on debt instruments are classified in the investing category as these financial assets generate returns individually and largely independent of the Group's other resources

#### **Finance costs**

Interest on debts and borrowings and other liabilities are classified in the financing category.

These Consolidated Financial Statements have been approved for issue by the Board of Directors on June 25, 2026.

The Directors have no significant doubts about the Company and the Group as a whole being a going concern for a period of at least 12 months from the date of approval of the financial statements of 2026. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

#### **b. Basis of measurement**

These Consolidated Financial Statements have been prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value
- Financial instruments at fair value through profit or loss are measured at fair value.
- Financial assets at fair value through other comprehensive income 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 and present value of lease liability

The above items have been measured at fair value and the methods used to measure fair values are discussed further in Note 4.

#### **c. Functional and presentation currency**

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Indian rupee is the functional currency of Sify, its domestic subsidiaries. The U.S. dollar is the functional currency of Sify's foreign subsidiaries i.e. Sify Technologies North America Corporation and Sify Technologies (Singapore) Pte. Ltd. located in United States of America and in Singapore respectively.

The Consolidated Financial Statements are presented in Indian Rupees which is the Group's presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest million except where otherwise indicated.

*Convenience translation* : Solely for the convenience of the reader, the financial statements as of and for the year ended March 31, 2026 have been translated into United States dollars (neither the presentation currency nor the functional currency of the Group) based on the reference rate in the City of Mumbai on March 31, 2026, for cable transfers in Indian rupees as published by the Reserve Bank of India which was ₹ 94.6543 per \$1.00. No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollar at such a rate or at any other rate on March 31, 2026 or at any other date. Due to rounding off, the translated numbers presented throughout the document may not add up precisely to the totals.

#### **d. Use of estimates and judgments**

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

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

- Estimated useful life of property, plant and equipment (Note 3 e and Note 5)
- Estimated useful life of intangible assets (Note 3 g and Note 6)
- Estimate of Lease term and measurement of Right of Use Assets and Lease Liabilities (Note 3 h, 7)
- Identification of performance obligation and timing of satisfaction of performance obligation, measurement of transaction price on revenue recognition (Note 3 o and 27)
- Measurement of the recoverable amounts of cash-generating units containing goodwill (Note 3 k and Note 6)
- Utilization of tax losses and computation of deferred taxes (Note 3 r, 14)
- Measurement of defined employee benefit obligations (Note 19)
- Measurement of share-based payments (Note 3 m, 31)
- Valuation of financial instruments (Note 3 c, 4, 37 and 38)
- Provisions and contingencies (Note 3 n and 35)
- Expected Credit losses on Financial Assets (Note 3 c, 16)
- Impairment testing (Note 3 k)

### **3. Material accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements

#### **a. Basis of consolidation**

The financial statements of the Group companies are consolidated on a line-by-line basis. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. These financial statements are prepared by applying uniform accounting policies in use at the Group.

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Company controls an investee if and only if the Company has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee; and
- (c) the ability to use its power over the investee to affect the amount of the Company's returns.

Generally, there is a presumption that majority of voting rights results in control. To support this presumption and when the Group has less than a majority of voting of similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee.

The financial statements of subsidiaries are consolidated from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

#### **b. 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 at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in the income statement for determination of net profit or loss during the period.

##### **(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 Indian Rupees 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 of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

#### **c. Financial instruments**

##### **(i) Financial Assets**

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

##### **Initial recognition:**

All financial assets are recognized initially at fair value plus, 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Subsequent measurement:****Financial assets measured at amortized cost:**

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

The Group while applying above criteria has classified the following financial assets at amortized cost

- Trade receivables
- Other financial assets.
- Investment in debt securities

**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 recognized in other comprehensive income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the Group classifies the same 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 recognized in other comprehensive income (OCI).

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

Financial assets are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortized cost or at fair value through other comprehensive income. All fair value changes are recognized in the Statement of Income.

**Derecognition of financial assets:**

Financial assets are derecognized 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 recognized in the Statement of Income.

**Impairment of financial assets:**

Trade receivables, contract assets, lease receivables under IFRS 9, investments in debt instruments that are carried at amortized cost, investments in equity instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses for the respective financial asset.

**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 and other factors which are relevant to estimate the expected cash loss from these assets.

**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.

**(ii) Financial liabilities**

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

**Subsequent measurement:**

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

- at amortized cost
- at fair value through profit or loss

**Financial liabilities at amortized cost**

The Group is classifying the following financial liabilities at amortized cost;

- a) Borrowings
- b) Finance lease obligations
- c) Trade and other payables
- d) Other financial liabilities

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

**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 derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

**Compound Financial Instrument:**

The terms of a non-derivative compound financial instrument are evaluated to determine whether it contains both a liability and an equity component. Such components are classified as financial liabilities, financial assets or equity instruments in accordance with the substance of the contractual arrangement. Interest, dividends and gains relating to the component that is financial liability is recognized as income or expense in profit or loss. Distribution to holders of equity instruments is recognized directly in equity.

**(iii) Derivative financial instruments**

Foreign exchange forward contracts and options are entered into by the Group to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. The group also enters into cross currency 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 IFRS 9 and 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.

**(iv) Offsetting of Financial Assets and Financial Liabilities**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

**(v) Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized 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 Group's operations. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

#### **d. 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.

#### **e. 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 life, they are accounted for as separate items (major components) of property, plant and equipment.

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 Income.

##### **(i) Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in statement of income during the period in which it is incurred.

##### **(ii) Depreciation**

Depreciation is recognized in the Statement of Income on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment considering residual value to be zero. Depreciation on contract-specific assets are charged co-terminously over the contract period. Management's estimated useful life for the year ended March 31, 2026 and March 31, 2025 were as follows:

	Estimate of useful life in years
Buildings comprising Civil structure, etc	28
Improvements forming part of the Building	5
Plant and machinery comprising computers, servers etc.	3-5
Power equipments	8
Plant and machinery comprising other items	3-8
Furniture and fittings	5
Office equipment	5
Motor vehicles	3

Depreciation is not recorded on construction-in-progress until construction and installation are complete and the asset is ready for its intended use. The estimated useful life of these assets have been assessed based on technical advice, taking into the account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc. Residual Value is estimated as Nil. These estimates are reviewed on a periodical basis and adjusted if appropriate.

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

#### **f. Business combinations**

##### **(i) Business combinations**

Business combinations are accounted for using IFRS 3 (Revised), Business Combinations. IFRS 3 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 IFRS 3(Revised). The cost of acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

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

Business combinations between entities under common control is outside the scope of IFRS 3 (Revised), Business Combinations and is accounted for at carrying value of assets acquired and liabilities assumed.

The acquisition of an asset or a group of assets that does not constitute a 'business' as per IFRS 3 is accounted for by identifying and recognizing the individual identifiable assets acquired and liabilities assumed. The cost of the group 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.

## **(ii) Goodwill**

Goodwill represents the cost of a business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), the Group reassesses the identification and measurement of identifiable assets, liabilities and contingent liabilities, and the measurement of the cost of acquisition, and recognizes any remaining excess in profit or loss immediately on acquisition.

### *Subsequent measurement*

Goodwill is measured at cost less accumulated impairment losses.

## **g. Other intangible assets**

Other intangible assets that are acquired by the Group, which have finite useful life, 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.

### **(i) 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.

### **(ii) Amortization of intangible assets with finite useful life**

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

	Estimate of useful life in years
Software	1 – 3
Undersea cable capacity	12
Other Intangibles	<u>3 – 5</u>

Amortization methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate. Residual Value of these assets is estimated as Nil.

## **h. Leases**

### **The Group as a lessee**

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

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

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

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

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

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

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

### **The Group as a lessor**

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

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

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

#### **i. 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 selling expenses.

#### **j. Contract liability**

Contract Liability (Unearned income) represents unserved portion of billed contracts. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

#### **k. Impairment of non-financial assets**

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

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

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

#### *Reversal of impairment loss*

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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.

### **I. Employee benefits**

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

#### **(a) Defined contribution plan (Provident fund)**

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Group makes specified monthly contribution towards Government administered provident fund scheme. The Group also contributes to 401(K) plans on behalf of eligible employees. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit and loss in the periods during which the related services are rendered by employees.

#### **(b) Defined benefit plans (Gratuity)**

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

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), are recognized 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 recognized 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 Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **(d) Compensated leave of absence**

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

### **m. Share-based payment transactions**

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

### **n. Provisions**

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

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

The Group provides an ex-gratia retirement benefit to eligible employees over and above the statutory gratuity limit, at the discretion of management. Provision is accrued based on the estimate.

### **o. Revenue Recognition**

The Group derives revenue from converged ICT solutions comprising Network- Connectivity services, Data Center services and Digital Services which includes cloud and managed services, applications integration services.

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

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

#### **i) Network services**

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

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

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

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

## **ii) Data Center Services:**

Revenue from DC services consists co-location of racks and power charges. The contracts are mainly for a fixed rate for a period of time. Revenue from co-location of racks, power charges and cross connect charges are series of distinct services. The performance obligations are satisfied overtime. Service revenue is recognized as the related services are performed. Sale of equipment such as servers, switches, networking equipment, cable infrastructure and racks etc., are accounted as separate performance obligations if they are distinct and its related revenues are recognized at a point in time when the control is passed on to the customer.

## **iii) Digital Services**

Revenue from Cloud and managed services include revenue from Cloud and storage solutions, managed services, value added services, domestic and International managed services.

Revenues from Cloud and on demand compute and storage, are primarily fixed for a period of time. Revenue from Cloud and managed services are series of distinct services. The performance obligations are satisfied overtime. The group recognize service revenue as the related services are performed.

Revenues from 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 group recognizes service revenue as the related services are performed.

In the case of fixed price contract, the group recognize 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 accounting).

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

Revenue from construction contract includes revenue from construction of Data Centers to the specific needs and design of the customer. The Group recognize revenue at point in time, when the customer does not take control of work-in-progress or over a period of time when the customer controls the work-in-progress. In the case where revenue is recognized over a period of time and progress is measured based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract. If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of Income in the period in which such losses become probable based on the current contract estimates.

Revenue from Applications Integration services include online assessment, document management services, web development, digital certificate based authentication services, supply chain software and eLearning software development services. eLearning software development services consist of structuring of content, developing modules, delivery and training users in the modules developed.

Revenue from Applications Integration Services is recognized over a period of time. The progress is measured based on the amount of time/effort spent on a project. Revenue in relation to 'time' is measured as the agreed rate per unit of time multiplied by the units of time expended. The element of revenue related to materials is measured in accordance with the terms of the contract.

The Group enters into contracts with customers to serve advertisements in the portal and the Group is paid on the basis of impressions, click-throughs or leads and in each case the revenue is recognized ratably 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 recognized when the transactions are completed.

Digital Certification revenues include income received on account of Web certification. Generally, the Group does not hold after sale service commitments after the activation of the Digital Certificates sold and accordingly, revenue is recognized fully on the date of activation of the respective certificate.

## **Multiple deliverable arrangements**

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

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

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

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

### **Contract Cost**

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

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

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

### **Significant judgments on applying IFRS 15**

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

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

In the case of multiple arrangements in a contract, the group allocate transaction price to each performance obligation based on standalone transaction price. The determination of standalone transaction price involves judgment.

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

The group uses judgement when capitalizing 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.

### **p. Other Operating income, Investment income and Finance income**

Investment income comprises interest income on funds invested and dividend income. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date when the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date. Finance income includes income arising from financing transactions. Other operating income includes income that are not classified into investing and financing category.

### **q. Finance expense**

Finance expense comprises borrowing costs, interest on lease liabilities, interest on pension liabilities, 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 or loss. Fair value changes attributable to hedged risk are recognized in the Statement of profit or loss.

### **Borrowing costs**

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

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

#### **r. Income taxes**

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

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

- (i) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- (ii) differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future.
- (iii) arising due to taxable temporary differences on the initial recognition of goodwill, as the same is not deductible for tax purposes.

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

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

Deferred taxation arising on investments in subsidiaries and associates is recognized except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation on temporary differences arising out of undistributed earnings of the equity method accounted investee is recorded only when it is expected to be distributed in foreseeable future based on the management's intention.

#### **s. Earnings per share**

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

**t. Dividend distribution to equity shareholders**

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

**u. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**v. Contingent Liabilities**

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**w. Segment Reporting**

The Group's operating segments are organised and managed according to the nature of products and services provided. These business units are reviewed by the Chairman of the Group (Chief Operating Decision Maker - 'CODM'). The Group's Operating segments are Network services, Data Center services and Digital Services.

**x. Current/ non-current classification**

An asset is classified as current if:

- (a) it is expected to be realized or sold or consumed in the Group's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realized within twelve months after the reporting period;
- (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 least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

**y. Foreign currency translation reserve**

The exchange differences arising from the translation of financial statements of foreign operations, differences arising from translation of long-term inter-company receivables or payables relating to foreign operations, settlement of which is neither planned nor likely in the foreseeable future, changes in fair value of the derivative hedging instruments and gains/losses on translation or settlement of foreign currency denominated borrowings designated as hedge of net investment in foreign operations are recognized in other comprehensive income, net of taxes and presented within equity in the FCTR.

**z. Recent accounting pronouncements**

Certain new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after April 1, 2026 and have not been applied in preparing these consolidated financial statements. New standards, amendments to standards and interpretations that could have potential impact on the consolidated financial statements of the Company are:

### **IFRS 19 – Subsidiaries without Public Accountability:**

On May 9, 2024, International Accounting Standards Board (IASB) issued IFRS 19- Subsidiaries without Public Accountability: Disclosures. The standard defines that a subsidiary without public liability may provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. The standard is optional for eligible subsidiaries and establishes the disclosure requirements for subsidiaries that choose to apply it.

The effective date for adoption of this standard is annual periods beginning on or after January 1, 2027, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

### **IAS 21 – Translation to a Hyperinflationary Presentation Currency:**

On November 13, 2025, IASB has issued amendments to Translation to a Hyperinflationary Presentation Currency amends IAS 21 The Effects of Changes in Foreign Exchange Rates to introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2027, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

### **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments:**

On May 30, 2024, IASB has issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, which clarifies the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, derecognition of financial liability settled through electronic payment systems and also introduces additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2026, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

### **Amendments to IFRS 9 and IFRS 7 - Contracts referencing Nature-dependent electricity:**

The IASB has published amendments to IFRS 9 and IFRS 7 titled ‘Contracts Referencing Nature-dependent Electricity’. The IASB has added application guidance to IFRS 9 to address specifically whether a contract to buy electricity generated from a source dependent on natural conditions is held for the entity’s own-use expectations. The amendments also address specifically how an entity applies the hedge accounting requirements in IFRS 9 when a contract referencing nature-dependent electricity with a variable nominal amount is designated as the hedging instrument. The IASB decided to add complementary disclosure requirements to IFRS 7. The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2026, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

### **aa. New accounting standards, amendments and interpretations adopted by the Group effective from April 1, 2025:**

#### **Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates**

On August 15, 2023, IASB issued ‘Lack of Exchangeability (Amendments to IAS 21)’ that clarifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. These amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The adoption of amendments to IAS 21 did not have any material impact on the consolidated financial statements.

#### **4. Determination of fair values**

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 as 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 recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

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

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

##### **(i) Property, plant and equipment**

The fair value of property, plant and equipment recognized as a result of a business combination is an estimated amount for which a property could be exchanged on the date of acquisition in an orderly transaction between market participants. The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approach using quoted market prices for similar items when available and replacements costs when appropriate.

##### **(ii) Inventories**

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

##### **(iii) Intangible assets**

The fair value of intangible assets acquired in the business combinations is based on discounted cash flows expected to be derived from the use and eventual sale of assets (terminal value).

##### **(iv) 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.

##### **(v) Trade and other receivables**

The fair value of trade and other receivables expected to be realized 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.

## (vi) Derivatives

The fair value of forward exchange contracts is based on their quoted price, if available. If a quoted price is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk free interest rate (based on Government bonds). The fair value of foreign currency option contracts is determined based on the appropriate valuation techniques, considering the terms of the contract. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity 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.

## (vii) 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.

## (viii) Share-based payment transactions

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

## 5. Property, plant and equipment

The following table presents the changes in property, plant and equipment during the year ended March 31, 2026

Particulars	Gross Carrying Amount					Accumulated Depreciation					Carrying amount as of March 31, 2026		
	As of April 1, 2025	Additions	Deletions / Adjustments during the year*	Reclassification**	Translation Difference	As of March 31, 2026	As of April 1, 2025	Depreciation for the year	Deletions / Adjustments during the year*	Reclassification**		Translation Difference	As of March 31, 2026
Freehold Land	207	-	-	-	-	207	-	-	-	-	-	-	207
Building	21,252	4,255	747	(619)	0	24,141	6,742	1,990	747	(10)	0	7,975	16,166
Plant and machinery	30,456	6,129	7,450	619	12	29,766	16,566	3,211	7,450	10	5	12,342	17,424
Computer equipment	2,211	437	1,113	-	-	1,535	1,897	191	1,113	-	-	975	560
Office equipment	3,184	617	348	9	0	3,462	1,806	499	348	7	0	1,964	1,498
Furniture and fittings	166	20	127	(9)	1	51	139	8	127	(7)	1	14	37
Vehicles	13	4	10	-	-	7	11	4	10	-	-	5	2
<b>Total</b>	<b>57,489</b>	<b>11,462</b>	<b>9,795</b>	<b>-</b>	<b>13</b>	<b>59,169</b>	<b>27,161</b>	<b>5,903</b>	<b>9,795</b>	<b>-</b>	<b>6</b>	<b>23,275</b>	<b>35,894</b>
Add: Construction in progress													7,587
<b>Total</b>	<b>57,489</b>	<b>11,462</b>	<b>9,795</b>	<b>-</b>	<b>13</b>	<b>59,169</b>	<b>27,161</b>	<b>5,903</b>	<b>9,795</b>	<b>-</b>	<b>6</b>	<b>23,275</b>	<b>43,481</b>

Note: 0 represents amount below the rounding off norm adopted by the Group.

\*During the year, the Group carried out an evaluation of its assets to assess the future economic benefits expected from its use or disposal. Accordingly, the Group identified the following assets which it assessed did not have any future economic benefits from its use (or) disposal. These assets have been retired from active use and remain in the custody of the Group pending physical disposal.

Category	Gross Block	Accumulated Depreciation
Plant and machinery	7,393	7,393
Computer equipment	1,083	1,083
Furniture and fittings	127	127
Office equipment	348	348
Building	747	747
Vehicles	10	10
<b>Total</b>	<b>9,708</b>	<b>9,708</b>

\*\* The Group has disclosed certain assets which are in the nature of plant and machinery and office equipment along with buildings and furniture & fixtures respectively. These assets are depreciated over the estimated useful life of plant and machinery and office equipment in accordance with the accounting policy consistently applied by the Group. The Group believes that it is more appropriate to disclose such assets as part of plant and machinery and office equipment rather than as part of buildings and furniture and fixtures. Hence, the cost of such assets and the accumulated depreciation thereon, as on April 1, 2025 has been transferred to the respective category for a better presentation.

The following table presents the changes in property, plant and equipment during the year ended March 31, 2025

Particulars	Gross Carrying Amount				Accumulated Depreciation					Carrying amount as of March 31, 2025	
	As of April 1, 2024	Additions	Deletions/ Adjustments during the year	Translation Difference	As of March 31, 2025	As of April 1, 2024	Depreciation for the year	Deletions/ Adjustments during the year	Translation Difference		As of March 31, 2025
Freehold Land	207	-	-		207	-	-	-		-	207
Building	13,932	7,320	-	0	21,252	5,163	1,579	-	-	6,742	14,510
Plant and machinery	24,002	6,528	77	3	30,456	14,319	2,322	76	1	16,566	13,890
Computer equipment	2,184	300	273		2,211	1,924	166	193		1,897	314
Office equipment	2,372	854	42		3,184	1,469	379	42		1,806	1,378
Furniture and fittings	173	15	22	0	166	159	2	22	0	139	27
Vehicles	13	-	-		13	10	1	-		11	2
<b>Total</b>	<b>42,883</b>	<b>15,017</b>	<b>414</b>	<b>3</b>	<b>57,489</b>	<b>23,044</b>	<b>4,449</b>	<b>333</b>	<b>1</b>	<b>27,161</b>	<b>30,328</b>
Add: Construction in progress											8,587
<b>Total</b>	<b>42,883</b>	<b>15,017</b>	<b>414</b>	<b>3</b>	<b>57,489</b>	<b>23,044</b>	<b>4,449</b>	<b>333</b>	<b>1</b>	<b>27,161</b>	<b>38,915</b>

Note: 0 represents amount below the rounding off norm adopted by the Group.

### Capital Commitments

As of March 31, 2026 and 2025, the Company had committed to spend approximately ₹ 22,468 and ₹ 7,222 respectively, under agreements to purchase property, plant and equipment.

### Construction in progress

Amounts paid towards acquisition of property, plant and equipment outstanding at each balance sheet date and the cost of property, plant and equipment that are not available for use are disclosed under construction-in-progress.

### Security

As of March 31, 2026 property, plant and equipment with a carrying amount of ₹ 19,484 (March 31, 2025: ₹ 15,566) are subject to a registered charge to secure bank borrowings.

### Capitalized borrowing costs

Borrowing costs capitalized during the year amounted to ₹ 150 (March 2025: ₹ 515). Refer note 32.

## 6. Intangible assets

Intangible assets comprise the following:

	March 31, 2026	March 31, 2025
Other intangible assets	601	696
	<u>601</u>	<u>696</u>

### Other intangibles

The following table presents the changes in intangible assets during the years ended March 31, 2026 and 2025.

	Bandwidth Capacity	Software	License fees	Total
<b>(A) Gross carrying amount</b>				
<b>Balance as of April 01, 2024</b>	773	2,795	78	3,646
Acquisitions during the year	-	467	-	467
Deletions/Adjustments during the year	-	51	-	51
<b>Balance as of March 31, 2025</b>	773	3,211	78	4,062
Acquisitions during the year	83	288	-	371
Deletions/Adjustments during the year*	-	673	20	693
<b>Balance as of March 31, 2026</b>	<u>856</u>	<u>2,826</u>	<u>58</u>	<u>3,740</u>
<b>(B) Accumulated depreciation</b>				
<b>Balance as of April 01, 2024</b>	772	2,183	50	3,005
Amortization for the year	1	402	3	406
Deletions/Adjustments during the year	-	45	-	45
<b>Balance as of March 31, 2025</b>	773	2,540	53	3,366
Amortization for the year	11	452	3	466
Deletions/Adjustments during the year*	-	673	20	693
<b>Balance as of March 31, 2026</b>	<u>784</u>	<u>2,319</u>	<u>36</u>	<u>3,139</u>
<b>(C) Carrying amounts</b>				
<b>As of April 01, 2024</b>	1	612	28	641
<b>As of March 31, 2025</b>	-	671	25	696
<b>As of March 31, 2026</b>	<u>72</u>	<u>507</u>	<u>22</u>	<u>601</u>

Intangible assets that were fully impaired / amortised were removed from the block.

### Capital commitments

The Company had not committed to spend any amount under agreements to purchase intangible assets during the year ending March 31, 2026 and 2025.

\*During the year, the Group carried out an evaluation of its assets to assess the future economic benefits expected from its use or disposal. Accordingly, the Group identified the following assets which it assessed did not have any future economic benefits from its use (or) disposal. These assets have been retired from active use.

Category	Gross Block	Accumulated Depreciation
System software	673	673
License fees	20	20
<b>Total</b>	<u>693</u>	<u>693</u>

## 7. Right of use assets

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2026:

Particulars	Land	Category of ROU asset			Total
		Building	P&M	IRU	
Balance as of April 1, 2025	4,313	2,290	1,036	1,183	8,822
Additions	713	263	196	284	1,456
Deletions	-	(6)	-	-	(6)
Depreciation	(70)	(390)	(280)	(165)	(905)
Translation Difference	-	5	-	4	9
Balance as of March 31, 2026	4,956	2,162	952	1,306	9,376

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2025:

Particulars	Land	Category of ROU asset			Total
		Building	P&M	IRU	
Balance as of April 1, 2024	3,672	2,541	244	801	7,258
Additions	784	400	978	530	2,692
Deletions	(92)	(258)	-	-	(350)
Depreciation	(51)	(393)	(186)	(148)	(778)
Translation Difference	-	-	-	-	-
Balance as of March 31, 2025	4,313	2,290	1,036	1,183	8,822

Note:

### Land

The Group's lease of land comprises of land taken on lease.

### Building

The Group's lease of building comprises of leases of offices and guest houses.

### Plant and Machinery

The Group's lease of plant and machinery comprises of leasing of equipments for providing telecommunication services.

### Indefeasible Right to Use (IRU)

The Group has entered into long term non- cancellable lease agreements for use of optical fibres on IRU basis. They are capitalised at the amount paid for acquiring such rights. They are amortised on straight-line basis over the period of agreement.

Particulars	March 31, 2026	March 31, 2025
Current lease liabilities	486	193
Non-current lease liabilities	3,416	3,617
Total	3,902	3,810

The following is the movement in lease liabilities during the Year ended

Particulars	March 31, 2026	March 31, 2025
Balance as of April 1,	3,810	3,043
Additions	523	1,378
Finance cost accrued during the period	336	299
Deletions	(7)	(351)
Payment of lease liabilities	(765)	(559)
Fair value adjustment	1	(1)
Translation difference	4	1
Balance as of March 31,	3,902	3,810

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2026 and March 31, 2025 on an undiscounted basis (including finance expenses):

Particulars	March 31, 2026	March 31, 2025
Less than one year	805	689
One to five years	2,318	2,379
More than five years	7,729	7,473
Total	10,852	10,541

**Reconciliation of additions made during the year**

<b>Particulars</b>	<b>For the year ended March 31, 2026</b>	<b>For the year ended March 31, 2025</b>
Additions to right-of-use assets	1,456	2,692
Additions to lease liability	523	1,378
<b>IRU and deposit deferment under IFRS 9</b>	<b>933</b>	<b>1,314</b>

Amounts recognized in profit or loss for the year ended March 31, 2026 and March 31, 2025 are given below

<b>Particulars</b>	<b>For the year ended March 31, 2026</b>	<b>For the year ended March 31, 2025</b>
Depreciation expenses	905	778
Interest on lease liabilities	336	299
Expenses relating to leases of low-value assets, including short-term leases of low-value assets	376	312

Note:

1. The lease agreements include escalation clauses, with escalation rates ranging from 0% to 20%, and escalation intervals ranging from every 11 months to 6 years.
2. The discount rate used for computation of right-of-use assets is 9.50%, determined based on the weighted average cost of capital (WACC).
3. The lease term for land ranges from 30 to 90 years, and for buildings ranges from 1.5 years to 50.8 years and for plant and machinery ranges from 2-20 years over which the right-of-use assets are depreciated on a straight-line basis.
4. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.
5. Lease commitments as at the reporting date amounting to ₹ Nil (March 31, 2025 : ₹ Nil).

## 8. Cash and cash equivalents

Cash and cash equivalents as per consolidated statement of financial position, as of March 31, 2026 amounted to ₹ 4,098 (March 31, 2025: ₹ 4,997 and March 31, 2024: ₹ 4,106). This excludes cash-restricted of ₹ 974 (March 31, 2025: ₹ 454 and March 31, 2024: ₹ 440), representing deposits held under lien against working capital facilities availed and bank guarantees given by the Group towards future performance obligations.

### (a) Restricted cash

	March 31, 2026	March 31, 2025	March 31, 2024
<i>Current</i>			
Bank deposits held under lien against borrowings / guarantees from banks / Government authorities	974	454	440
<b>Total restricted cash</b>	<b>974</b>	<b>454</b>	<b>440</b>
<b>(b) Non-restricted cash</b>			
<i>Current</i>			
Cash and cash equivalents	4,098	4,997	4,106
Other bank deposits (maturity period more than 3 months)	-	1,307	1,289
<b>Total Non-restricted cash</b>	<b>4,098</b>	<b>6,304</b>	<b>5,395</b>
<b>Total cash (a+b)</b>	<b>5,072</b>	<b>6,758</b>	<b>5,835</b>
Bank overdraft used for cash management purposes	-	(326)	(487)
Bank deposits held under lien against borrowings / guarantees from banks / Government authorities	(974)	(454)	(440)
Other bank deposits (maturity period more than 3 months)	-	(1,307)	(1,289)
<b>Cash and cash equivalents for the statement of cash flows</b>	<b>4,098</b>	<b>4,671</b>	<b>3,619</b>

## 9. Other current non-financial assets

	March 31, 2026	March 31, 2025
(i) Deferred contract costs (refer Note (i) below)	172	139
(ii) Current prepayments (refer Note (ii) below)	1,154	832
(iii) Current receivables from taxes other than income tax	2,225	1,768
(iv) Other receivables*	472	385
	<b>4,023</b>	<b>3,124</b>

\*Represents trade advances

### Note (i)

The following table provides information about receivables, contract assets and contract liabilities from the contracts with the customers

Particulars	March 31, 2026	March 31, 2025
Trade Receivables	12,648	10,916
Deferred contract costs	176	145
Current Deferred contract costs	172	139
Non-Current Deferred contract costs	4	6
<b>Contract liabilities – Deferred Income</b>		
Current contract liabilities	4,039	2,823
Non-current contract liabilities	5,097	3,290
<b>Total Contract liabilities – Deferred Income</b>	<b>9,136</b>	<b>6,113</b>

The following table provides the significant changes in contract liabilities (Deferred Income) for the year ended March 31, 2026 and March 31, 2025:

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Balance as at April 1	6,113	5,137
Revenue recognized that was included in deferred revenue at the beginning of the year	2,823	2,142

**Note (ii)**

<b>Particulars</b>	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Prepayments for purchase of bandwidth	480	174
Prepayments - others	674	658
	<b>1,154</b>	<b>832</b>

**Contract Cost and Amortization**

Costs to fulfil customer contracts are deferred and amortized over the contract period. For the year ended March 31, 2026 the Company has capitalized ₹ 358 (March 31, 2025: ₹ 193) and amortized ₹ 327 (March 31, 2025: ₹ 199). There was no impairment loss in relation to the capitalized cost.

Incremental costs of obtaining a contract are recognized as assets and amortized over the contract period. The Company recognizes incremental cost of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

**10. Other non-current non-financial assets**

	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Deferred contract costs (refer note below)	4	6
Capital advances	2,995	1,293
Non-current prepayments	481	331
Non-current receivables from taxes other than income tax	65	66
	<b>3,545</b>	<b>1,696</b>

Note: Refer note 9 for movement in deferred contract cost.

**11. Investments**

Other Investments comprise investment in unquoted equity instruments classified as financial assets at FVTOCI and investment in unquoted debt securities classified as financial assets at amortised cost. The details of such investments are given below:

	<b>March 31, 2026</b>	<b>March 31, 2025</b>
<b>Investment in equity instruments – unquoted</b>		
<b>Towards procurement of private power under Power Purchase Agreements (Refer note (i) below)</b>		
Investment in equity shares of Vashi Railway Station Commercial Complex Limited *	0	0
Investment in equity shares of Sarayu Clean Gen Private Limited	2	2
Investment in Tasoula Energy Private Limited	225	225
Investment in VEH Srishti Energy Private Limited	375	375
Investment in Sunsure Solarpark Eighteen Private Limited	100	10
Investment in Murli Enery Private Limited	49	-
<b>Towards others</b>		
Investment in Padvest Corporation	4	4
Investment in Digifresh Corporation	19	17
Investment in The Gizmo App Company	21	21
Investment in Chatter Inc	14	13
Investment in Passerine technologies Inc	19	17
Investment in Cloudfabrix Software Inc	142	128
Investment in Sylvie Unlimited Inc	14	13
<b>Investment in debt securities – unquoted</b>		
Investment in Elevo Corporation (Erstwhile Attala Systems Corporation)	447	404
Less: Provision for Investment (Refer note below)	(26)	-
	<b>1,405</b>	<b>1,229</b>

Note: The Group has made provision towards its investment in Padvest Corporation and Gizmo App Company.

\* below the rounding off norm adopted by the Group.

(i) These investments are made pursuant to Electricity Act, 2003 as these are treated as captive power plants under that act. The Group assessed the fair value of the above investments as at March 31, 2026. In accordance with the requirements of IFRS 9 - Financial instruments, the company has classified the investments as measured as fair value through other comprehensive income. The carrying costs of investments has been considered as the best estimate of fair value as at the reporting date.

(ii) Details relating to uncalled capital commitments are as follows:

Name of the Entity	March 31, 2026	March 31, 2025
Murli Solar Energy Private Limited	91	-
Netra Renewable Energy Private Limited	95	-
Radianc KA Sunbright Two Private Limited	32	-
Sunsure Solarpark Eighteen Private Limited	-	90
<b>Total</b>	<b>218</b>	<b>90</b>

**12. Other non-current financial assets**

	March 31, 2026	March 31, 2025
Security deposits (Refer note (i) below)	683	643
Interest accrued on investments	110	98
Bank Deposits (Refer note (ii) below)	2,019	1,652
	<b>2,812</b>	<b>2,393</b>

Note:	March 31, 2026	March 31, 2025
(i) We have fair valued the Security Deposit as per IFRS 9 which are more than ₹ 5 <b>Includes amount due from related parties (Refer note D(36))</b>		
Radhika Vegesna	6	6
Village Inns India Private Limited*	0	0
Raju Vegesna Infotech and Industries Private Limited	1	1
	<b>7</b>	<b>7</b>

\* amount below the rounding off norm adopted by the Group.

(ii) Lien Marked towards	March 31, 2026	March 31, 2025
Tax litigation purposes	0	0
Security Deposit-Staff Selection Commission	0	0
VBD related transaction (OD against FD)	0	0
Non-fund based limits	101	-
New current account	0	-
New Okhla Industrial Development Authority (NOIDA) for restoration of Industrial Plot towards borrowings, bank guarantees and letter of credit	190	206
	<b>1,728</b>	<b>1,446</b>
	<b>2,019</b>	<b>1,652</b>

Note: 0 represents amount below the rounding off norm adopted by the Group.

### 13. Current tax assets, non-current

	March 31, 2026	March 31, 2025
Advance tax and tax deducted at source (net of provision for tax)	3,143	3,106
	<u>3,143</u>	<u>3,106</u>

### 13. Current tax liabilities, current

	March 31, 2026	March 31, 2025
Provision for tax (net of advance tax and tax deducted at source)	25	153
	<u>25</u>	<u>153</u>

(Represents current tax liabilities of Subsidiaries)

### 14. Deferred tax assets and liabilities

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

Recognized deferred tax assets / (liabilities)	Assets / (liabilities)	
	March 31, 2026	March 31, 2025
<b><u>Deductible temporary difference</u></b>		
Property, plant and equipment	1,046	1,092
Lease obligations on right of use assets	200	185
Provision for employee benefits	115	53
Accounts receivable	86	146
Payment to the MSME vendors	-	11
Intangible assets	8	-
Provision for doubtful advances	4	23
	<u>1,459</u>	<u>1,510</u>
<b><u>Taxable temporary difference</u></b>		
Intangible assets	-	(86)
Finance lease obligations	-	(28)
	<u>-</u>	<u>(114)</u>
<b>Net deferred tax asset (liability) recognized in balance sheet</b>	<u>1,459</u>	<u>1,396</u>

In assessing the realizability of deferred tax assets, management considers whether some portion or all of deferred tax assets will not be realized. The ultimate realization of deferred tax assets and tax loss carry forwards 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 believes that the Group will realize the benefits of those recognized deductible 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.

#### Movement in temporary differences during the year

	Balance as of March 31, 2024	Recognized in income statement	Recognized in Other Comprehensive Income	Balance as of March 31, 2025	Recognized in income statement	Recognized in Other Comprehensive Income	Balance as of March 31, 2026
Property, plant and equipment	971	121	-	1,092	(46)	-	1,046
Intangible assets	(143)	57	-	(86)	94	-	8
Lease obligations on right of use assets	182	3	-	185	15	-	200
Finance lease obligations	(28)	-	-	(28)	28	-	-
Payment to MSME vendors	11	-	-	11	(11)	-	-
Provision for employee benefits	49	4	-	53	61	1	115
Accounts receivable	131	15	-	146	(60)	-	86
Provision for doubtful advances	23	-	-	23	(19)	-	4
<b>Total</b>	<b>1,196</b>	<b>200</b>	<b>-</b>	<b>1,396</b>	<b>62</b>	<b>1</b>	<b>1,459</b>

#### Unrecognized deferred tax assets / (liabilities)

	As of March 31, 2026	As of March 31, 2025
Unrecognized tax losses	2,564	1,228
	<b>2,564</b>	<b>1,228</b>

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognized in respect of tax losses carried forward by the Group. The above tax losses expire at various years.

#### Tax expense recognized in profit or loss

	March 31, 2026	March 31, 2025	March 31, 2024
<b>Current tax expense / (benefit)</b>			
Current period	487	699	515
<b>Deferred tax expense / (benefit)</b>			
Origination and reversal of temporary differences	(62)	(200)	(332)
<b>Total tax expense / (benefit)</b>	<b>425</b>	<b>499</b>	<b>183</b>

## Reconciliation of effective tax rate

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2024
Profit/(Loss) before income taxes	(941)	(286)	352
Enacted tax rates in India	25.17%	25.17%	25.17%
Computed expected tax expense / (benefit)	(237)	(72)	89
Effect of:			
Recognition of previously unrecognized deferred tax asset on temporary differences	-	-	(2)
Difference on account differential tax rates in different jurisdictions	9	49	(23)
Effect of unrecognized business loss including reversal of previously recognized DTA on business loss	438	383	157
Expenses/income not taxable			
Effect of expenses that are not deductible in determining taxable profit	99	33	27
Utilization of previously unrecognized temporary differences	85	58	-
Permanent difference on account of coupon charges on CCDs	(36)	(39)	(30)
Others	67	87	(35)
	<b>425</b>	<b>499</b>	<b>183</b>

## 15. Inventories

	March 31, 2026	March 31, 2025
Trade inventories*	2,893	3,959
	<b>2,893</b>	<b>3,959</b>

\* Includes project inventory of ₹ 2,665 (previous year: ₹ 3,660)

## 16. Trade receivables

Trade receivables as of March 31, 2026 and March 31, 2025 are stated net of allowance for doubtful receivables. The Group maintains an allowance for doubtful receivables based on expected credit loss model. The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables, excluding construction work in progress is disclosed in note 38. Trade receivables consist of:

	March 31, 2026	March 31, 2025
Trade receivables from related parties	-	-
Other trade receivables	13,080	11,574
	<b>13,080</b>	<b>11,574</b>
Less: Allowance for doubtful receivables	(432)	(658)
<b>Balance at the end of the year</b>	<b>12,648</b>	<b>10,916</b>

The activity in the allowance for doubtful accounts receivable is given below:

	March 31, 2026	March 31, 2025
<b>Balance at the beginning of the year</b>	<b>658</b>	<b>580</b>
Add : Additional provision, net	164	195
Less : Bad debts written off	(396)	(118)
Add/(Less) : Effect of forex Adjustment	6	1
<b>Balance at the end of the year</b>	<b>432</b>	<b>658</b>

#### 17. Other current financial assets

	March 31, 2026	March 31, 2025
Security deposits	189	183
Interest accrued on investments	17	115
Derivative financial asset	9	19
Others	-	2
	<b>215</b>	<b>319</b>

#### 18. Equity

*No of shares*

	March 31, 2026	March 31, 2025
Issued as of April 01	<b>434,102,399</b>	<b>183,332,460</b>
Issued for cash	-	249,998,963
Exercise of share options	505,290	770,976
Issued as of March 31	<b>434,607,689</b>	<b>434,102,399</b>
<b>Value (₹) ('000)</b>	<b>4,359</b>	<b>4,354</b>

In fiscal 2015, the authorized share capital of the Group was enhanced by an amount of ₹ 189. Subsequently the authorized share capital was increased to ₹ 2,040 divided into 204,000,000 Equity Shares, having a par value of ₹ 10 per share. Subsequently the authorized share capital was increased to 750,000,000 Equity Shares, having a par value ₹ 10 per share and 250,000,000 Preference Shares, having a par value ₹ 10 per share. The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to vote at meetings of the Group. Equity shares carry voting rights proportionate to the paid-up value per share. In the event of liquidation of the Group, 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. All shares rank equally with regard to Group's residual assets. During FY 2025-2026, the Group has issued and allotted 505,290 Equity Shares represented by American Depositary Shares (ADS) having a face value of ₹10 each. Of the total equity shares, 104,808,339 shares are represented by American Depositary Shares (ADS).

The directors have not recommended any dividend for paid up Equity Share of ₹ 10 each for the year 2025-2026 (2024-25: ₹ Nil).

Also refer to note 39 – Issue of share on private basis to existing promoter group and Note 31 – Share-based payment

## 18A. Compulsorily Convertible debentures:

	<u>March 31,</u> <u>2026</u>	<u>March 31,</u> <u>2025</u>
Compulsorily convertible Debentures issued to Kotak Data Center Fund	3,406	3,406
	<u>3,406</u>	<u>3,406</u>

In the 2023-2024 fiscal year, Kotak Data Center Fund (KDCF) subscribed to 48,000,000 (Four crore and Eighty Lacs only) Series 4 Compulsorily Convertible Debentures (CCDs) with face value of INR 100 each amounting to ₹ 4,800 ("series 4 CCD").

In the 2023-2024 fiscal year, Kotak Data Center Fund (KDCF) subscribed to 12,000,000 (One crore and Twenty Lacs only) Series 5 Compulsorily Convertible Debentures (CCDs) with face value of INR 100 each amounting to ₹ 1,800 ("series 5 CCD").

Conversion ratio was fixed for Series 4 and Series 5 CCDs pursuant to the formula provided in the DSA dated July 20, 2023.

i) Sify Infinit Spaces Limited [SISL], a Subsidiary Company has executed a Waiver Cum Amendment Agreement ('WCA') dated September 25, 2025, with Sify Technologies Limited, KSSF and KDCF amending the Debenture Subscription Agreement ('DSA'). This WCA becomes effective and binding on the Parties from the date of filing of the Draft Red Herring Prospectus ('DRHP') by SISL in relation to the proposed Initial Public Offering of its equity shares ('Offer') with SEBI and shall remain effective until such time WCA is terminated. As per the WCA, the Compulsory Convertible Debentures ('CCDs') held by KSSF and KDCF shall be fully, mandatorily, compulsorily and automatically convertible into equity shares upon earlier of:

1. October 1, 2031, and March 31, 2033, for KSSF and KDCF respectively without any act or application by KSSF or KDCF;
2. Prior to filing the updated DRHP with the Securities and Exchange Board of India ('SEBI') and the updated DRHP shall be filed within 10 business days from the conversion or such other extended time as may be mutually agreed;
3. At any time as may be required by KSSF or KDCF.

Pursuant to SISL filing DRHP on October 16, 2025 with SEBI, BSE Limited and National Stock exchange of India Limited in connection with the Offer and in compliance with the SEBI (ICDR) Regulations, 2018, which prescribes that an Issuer shall not be eligible to make an initial public offer if there are any outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the issuer, on February 7, 2026, SISL have converted the outstanding CCDs held by KSSF and KDCF into equity shares.

ii) The WCA shall stand automatically terminated upon the earlier of the following dates:

1. Twelve months from the date of receipt of final observations from SEBI;
2. Exit Long Stop Date as defined in the DSA;
3. the date on which the Board decides not to undertake the IPO or decides to withdraw the IPO or any offer document filed with any regulator/ authorities in respect of the IPO;
4. the date on which the offer agreement executed between the Company, KDCF or KSSF and the BRLMs, is terminated;
5. this WCA being terminated by the mutual written agreement of all Parties, including if the listing of the Equity Shares pursuant to the IPO is not completed by then, subject to a withdrawal of the DRHP upon such termination

In case of termination of WCA, the provisions of the DSA (as existing prior to the execution of WCA) shall

1. immediately and automatically stand reinstated with full force and effect without any further action or deed required on the part of any Party; and
2. be deemed to have been in force during the period between the date of execution of this WCA and the date of termination of this WCA, without any break or interruption whatsoever.

iii) The Company has presented the equity shares issued upon conversion as a compound financial instrument [Other Equity – ₹ 3,406 and Other non-current liability and Other non-current financial liability – ₹ 6,063 totalling to ₹ 9,469] until the Termination of DSA.

iv) Further, non-controlling interest which will arise upon Termination of DSA are disclosed as below: -

Details	Sub total	Total
Pre-conversion share of share capital and other equity	1,200	1,200
Share capital on conversion	698	9,469
Other equity on conversion	8,771	
Post-conversion share of profits	(11)	(11)
Total	10,658	10,658

#### Share based payment reserve

Share based payment reserve represents the stock compensation expense recognized in the statement of changes in equity.

#### Share Premium

Share Premium used to record the premium on issue of shares.

#### Accumulated deficit

Accumulated deficit represent the amount of accumulated loss of the Group.

#### Other components of equity:

##### a) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

##### b) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of investments classified as at FVTOCI until the investments are derecognized or impaired.

##### c) Remeasurements of the net defined benefit liability/asset

Remeasurements of the net defined benefit liability/asset represent the cumulative actuarial gain / loss on account of Change in demographic assumptions, change in financial assumption and experience variance and remeasurement in return on plan assets, excluding amounts recognized in net interest expense/ income.

d) During the year 2022-23, Sify Technologies Limited (Company) has acquired Patel Auto Engineering Company (India) Private Limited (“PAECIPL”) with its registered office in Rabale, Navi Mumbai through Share Purchase agreement dated March 22, 2023 for a consideration of ₹ 525.00 paid to Shareholders of PAECIPL. The Company has also given an Intercorporate Deposit of ₹ 85.00 to PAECIPL. PAECIPL have only the Land allocated by MIDC on their books as on the date of Acquisition. Scheme of Amalgamation of PAECIPL with SISL is filed with Hon'ble NCLT on Feb 09, 2024. Scheme of amalgamation is approved by the Hon'ble NCLT on January 09, 2025 effective April 01, 2023. SISL has issued 17.08546 equity shares for every 1 equity share held by the shareholders of PAECIPL. The net effect of merger is adjusted in retained earnings.

Particulars	Rs. (in million)
Carrying amount of net assets acquired	425
Consideration paid	513
decrease in equity adjusted in retained earnings	(88)

e) During the FY 2020-21, Print House (India) Pvt Ltd had issued 9% Cumulative Non-Convertible Redeemable Preference Shares to Raju Vegesna Infotech & Industries Pvt Ltd.,(RVIPL) on private placement basis. The Preference share capital are redeemable at par value at maturity, i.e. 20 years from the date of allotment. The terms of the Preference Shares are changed to 6% Non-Cumulative compulsorily convertible preference shares during the year 2023-24. During the year 2024-25, these shares were transferred from RVIPL to Sify Technologies Limited. The acquisition of these shares at increased value has been adjusted in retained earnings.

Particulars	Rs. (in million)
Carrying amount of Investments acquired	500
Consideration paid	731
decrease in equity adjusted in retained earnings	(231)

## 19. Employee benefits\*

Provision for employee benefits - non-current

	March 31, 2026	March 31, 2025	March 31, 2024
Gratuity payable	26	47	25
Compensated absences	164	154	135
	<u>190</u>	<u>201</u>	<u>160</u>

\*Represents provision based on actuarial valuation.

Provision for employee benefits - current

	March 31, 2026	March 31, 2025	March 31, 2024
Gratuity payable	-	-	-
Compensated absences	49	45	41
	<u>49</u>	<u>45</u>	<u>41</u>

### Gratuity cost

The components of gratuity costs recognized in the consolidated income statement for the years ending March 31, 2026, 2025, and March 31, 2024 consist of the following:

	March 31, 2026	March 31, 2025	March 31, 2024
Current service cost	75	70	62
Past service cost	19	-	-
Interest cost	30	28	22
Interest income	(17)	(26)	(20)
	<u>107</u>	<u>72</u>	<u>64</u>

Details of employee benefit obligation and plan asset are as follows:

	March 31, 2026	March 31, 2025	March 31, 2024
Projected benefit obligation at the end of the year	529	446	382
Plan assets at the end of the year	(503)	(399)	(357)
<b>Funded status amount of liability recognized in the balance sheet</b>	<u>26</u>	<u>47</u>	<u>25</u>

The following table set out the status of the gratuity plan:

<b>Change in defined benefit obligation</b>	March 31, 2026	March 31, 2025	March 31, 2024
Projected benefit obligation at the beginning of the year	446	382	299
Current service cost	75	70	62
Past service cost	19	-	-
Interest cost	30	28	22
Remeasurements - Actuarial (gain) / loss	(3)	8	21
Benefits paid	(38)	(42)	(22)
<b>Projected benefit obligation at the end of the year</b>	<u>529</u>	<u>446</u>	<u>382</u>

<b>Change in plan assets</b>	March 31, 2026	March 31, 2025	March 31, 2024
Fair value of plan assets at the beginning of the year	399	357	271
Interest income	17	26	20
Employer contributions	115	53	86
Benefits paid	(38)	(42)	(22)
Return on plan assets, excluding amount recognised in net interest expense	10	5	2
<b>Fair value of plan assets at the end of the year</b>	<u>503</u>	<u>399</u>	<u>357</u>
Actual return on plan assets	27	30	22

**Actuarial assumptions at end of the year:**

The principal actuarial assumptions as on March 31, 2026, 2025, and 2024 were as follows:

	March 31, 2026	March 31, 2025	March 31, 2024
Discount rate	6.70% p. a.	6.65% p. a.	7.15% p. a.
Expected long term rate of return on plan assets	8%	8%	8%
Average future working lifetime	<u>20.75 years</u>	<u>21.67 years</u>	<u>21.46 years</u>

*Discount rate:* The discount rate is based on prevailing market yields of GOI securities as at the end of the year for the estimated term of the obligations.

*Long-term rate of compensation increase:* The estimates of future salary increase considered take into account inflation, seniority, promotion and other factors.

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

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

Assumptions regarding future mortality are based on published statistics and mortality tables.

The Group assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

*Contributions:* The Group expects to contribute ₹102 to its gratuity fund during the year ending March 31, 2027.

**The expected benefit payments to be made in the next few years are as under:**

Year	March 31, 2026	March 31, 2025
1 Year	104	80
2 to 5 years	330	276
6 to 10 years	200	177
More than 10 years	106	97

*Plan assets:* The Gratuity plan's weighted-average asset allocation on March 31, 2026 and March 31, 2025, by asset category is as follows:

	March 31, 2026	March 31, 2025
Funds managed by insurers	100%	100%

**Remeasurements of the net defined benefit liability recognized in other comprehensive income**

Amount recognized in other comprehensive income for the years ending March 31, 2026, 2025, and 2024 are as follows:

	March 31, 2026	March 31, 2025	March 31, 2024
Remeasurements of the net defined benefit liability			
<u>Actuarial (gain)/loss</u>			
- Change in demographic assumptions	-	-	-
- change in financial assumptions	(2)	10	3
- experience variance	(1)	(2)	19
- return on plan assets, excluding amounts recognized in net interest expense/ income	(10)	(5)	(2)
	<u>(13)</u>	<u>3</u>	<u>20</u>

**Sensitivity Analysis of significant actuarial assumption**

Sensitivity analysis for the defined benefit obligations will increase/ decrease by the amounts mentioned below if there is a variation of 100 basis points in the discount rate and salary escalation rate.

	Discount rate		Salary escalation rate	
	Decrease by 100 bps (₹ '000000s)	Increase by 100 bps (₹ '000000s)	Decrease by 100 bps (₹ '000000s)	Increase by 100 bps (₹ '000000s)
Present Value of Defined Benefit Obligation	552	506	509	548

The present value of defined benefit obligation has been arrived at using the same method as is used for valuing the defined benefit obligation as per the current assumptions. The increase/decrease in defined benefit obligation has been arrived assuming the other assumptions are constant though such increase/decrease do not happen in isolation in real scenarios.

### Contributions to defined contribution plans

In accordance with Indian law, all employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specified percentage of employee's basic salary. The Group has no further obligations under the plan beyond its monthly contributions. The Group contributed ₹ 286, ₹ 275 and ₹ 244 for the years ended March 31, 2026, 2025 and 2024. The Group has contributed to 401(K) plans on behalf of eligible employees amounting to ₹ 19 (March 31, 2025: ₹ 19) during the year ended March 31, 2026.

### 20. Borrowings

	March 31, 2026	March 31, 2025
<b>Current</b>		
Term loans from banks (Refer note (a) – (i), (ii), (iii), (v) & (vi))	3,021	2,628
Other working capital facilities (Refer note (b) below)	4,637	3,122
Other short-term borrowings (Refer note (d) below)	3,000	-
Supplier Finance arrangements (Refer note (c) below)	4,011	4,106
Borrowings from others (Refer note (a) – (iv), (vii), (viii) & (ix))	730	1,399
	<b>15,399</b>	<b>11,255</b>
<b>Non-current</b>		
Term loans from banks (Refer note (a) – (i), (ii), (iii), (v) & (vi))	14,436	15,175
Borrowings from others (Refer note (a) – (iv), (vii), (viii) & (ix))	8,769	13,050
	<b>23,205</b>	<b>28,225</b>

### Breakup of borrowings from others

	March 31, 2026	March 31, 2025
<b>Non-current</b>		
6% Compulsorily Convertible Debentures (Refer note 18A)	-	6,032
8.95% p.a. Secured, Listed Non-Convertible Debentures	2,500	2,500
Others - NBFC	6,269	4,518
	<b>8,769</b>	<b>13,050</b>
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
<b>Current</b>		
6% Compulsorily Convertible Debentures (Refer note 18A)	-	228
Others - NBFC	730	1,171
	<b>730</b>	<b>1,399</b>

a) Loan from Banks and others

S.NO	Type	Amount Outstanding		Security
		March 31, 2026	March 31, 2025	
(i)	Loans from banks	13,860	14,952	primarily secured by way of a pari-passu charge on the project Receivables and charge on movable fixed assets disbursed for the Specific DC Project and second charge on unencumbered current assets of the Group
(ii)	Loans from banks	3,597	2,851	primarily secured by exclusive charge on movable fixed assets funded out of the Term Loan
(iii)	of loan balance in (ii) above	900	1,200	primarily secured by exclusive charge on identifiable movable fixed assets with Second pari-passu charge on entire current assets of the Borrower.
(iv)	Loan from NBFC	5,752	4,062	primarily secured by way of a pari-passu charge on the project Receivables and charge on movable fixed assets disbursed for the Specific DC Project and second charge on unencumbered current assets of the Group, repayable over a period of 22 to 56 months on equated monthly / quarterly instalments.
v) During the FY 2020-21, the Group has entered into External Commercial Borrowing (ECB) facility agreement for US\$ 5 Million and drawn down US\$ 5 Million out of sanctioned loan during FY 2020-2021 and repaid US\$ 0.5 Million in FY 2021-2022, US\$ 1 Million in FY 2022-2023, US\$ 1 Million in FY 2023-2024 , US\$ 1 Million in FY 2024-2025 & US\$ 1 Million in FY 2025-2026. The Group has also entered into agreement for currency swap (from USD to ₹) to fully hedge foreign currency exposure towards principal repayment and interest rate swap from floating to fixed in order to hedge the foreign currency exposure.				
vi) The above loans bear interest rate ranging from 7.25% to 10.50% (March 31, 2025 7.25% to 10.50%) and repayable over a period of 12 to 60 months on equated monthly / quarterly instalments.				
(vii)	Non-Convertible Debentures	2,500	2,500	primarily secured by way of pari-passu charge on the project Receivables and charge on movable fixed assets. The Loan is repayable in ten equal installments starting from FY 2030-2031 till FY 2039-2040.
(viii)	Loan from NBFC	1,247	1,627	Unsecured
<b>Total</b>				
<b>[(i)+(ii)+(iv)+(vii)+(viii)]</b>		<b>26,956</b>	<b>25,992</b>	

(ix) The loans mentioned in (viii) bear an interest rate ranging from 0% to 9.56% (March 31, 2025: 0% to 9.56%) and repayable over a period of 24 to 60 months on equated monthly / quarterly instalments.

Term loan from banks and other working capital facilities are net of processing charges from banks amounting to ₹ 381 (March 31, 2025 - ₹ 384).

b) Working Capital Facilities

Facility	Sanctioned Limit	Amount outstanding (WCDL)		Amount outstanding (Bank Overdraft)		Security
		March 31,2026	March 31,2025	March 31,2026	March 31,2025	
WCDL-1	2,440	2,380	930	-	296	Primarily secured by way of pari-passu charge on the entire current assets of the Group and collaterally by way of pari-passu charge on the unencumbered movable fixed assets of the Group with other banks under consortium.
WCDL-2	1,450	730	640	-	-	
WCDL-3	530	490	360	-	27	
WCDL-4	400	400	400	-	-	
WCDL-5	400	400	300	-	-	
WCDL-6	250	249	-	-	3	
WCDL-7	450	-	350	-	-	
WCDL-8	70	-	70	-	-	
<b>Total</b>	<b>5,990</b>	<b>4,649</b>	<b>3,050</b>	<b>-</b>	<b>326</b>	

The above loans carry an interest rate ranging from 6.31%p.a. to 8.50%.p.a. (Previous year: 8.10%p.a. to 8.95%.p.a.). These loans are repayable over a period of 10 days to 94 days (Previous year: 43 days to 180 days). The above amounts are excluding the processing charges charged by the banks.

Additional Security details

Facility	Security
WCDL-1	Mortgage on Tidel Park Chennai & Vile Parle Mumbai property (Exclusive) standing in the name of Sify Technologies Limited.
WCDL-3	Negative lien on Noida (New Okhla Industrial Development Authority) DC 01 property for the WC limits and the title deeds of the property deposited with the bank.

Buyers Credit Facilities

Facility	Sanctioned limit	Amount outstanding		Purpose	Security
		March 31,2026	March 31,2025		
Buyers Credit	500	-	92	For capex imports (networking equipment)	Exclusive charge on movable fixed asset funded out of facility.
<b>Total</b>	<b>500</b>	<b>-</b>	<b>92</b>		

The above facility carries an interest rate ranging from 5.98% p.a. to 7.08% p.a.

c) Supplier finance arrangements

- Terms and conditions:

i) Payable to MSME-TReDS- The Group has a supplier finance arrangement with State Bank of India, Indian Bank, Bank of India under which MSME suppliers are to be paid within 45 days of deemed acceptance date. No guarantees or collateral are provided under the arrangement.

ii) Vendor bill discounting- The Group has a supplier finance arrangement with Federal Bank, HSBC bank, DBS bank, HDFC Bank and JP Morgan bank, under which suppliers (other than MSME) have to be paid within 0 to 65 days of invoice date. No guarantees or collateral are provided under the arrangement.

iii) The movement in supplier finance arrangements are given below:

Payable to MSME-TReDS

Particulars	March 31, 2026	March 31, 2025
Balance at the beginning of the Year	832	385
Additions during the year	3,118	1,742
Payments made during the year	(2,384)	(1,295)
<b>Balance at the end of the year</b>	<b>1,566</b>	<b>832</b>

## Vendor bill discounting

Particulars	March 31, 2026	March 31, 2025
Balance at the beginning of the Year	3,274	2,134
Additions during the year	10,787	11,518
Payments made during the year	(11,616)	(10,378)
<b>Balance at the end of the year</b>	<b>2,445</b>	<b>3,274</b>

Type	Amount of outstanding as on 31- Mar-26	Amount of outstanding as on 31- Mar-25	Rate of interest	Tenure of average repayment	Security
MSME-TReDS	1,566	832	6.08% to 6.99%	170 to 179 days	Unsecured
Vendor bill discounting	2,445	3,274	6.30% to 8.90%	10 to 133 days	Unsecured

### d) Other short-term borrowings:

The Group has availed ₹ 3,000.00 for meeting the general business expenses of the group which is secured by way of extension of pari-passu charge on movable fixed assets and receivables. The loan is repayable within a period of 12 months from the date of first disbursement.

### e) Non-fund based

The Group has non-fund based revolving credit facilities in various currencies equivalent to ₹ 9,710 million, as at March 31, 2026 and 2025, towards operational requirements that can be used for the issuance of letters of credit and bank guarantees. As at March 31, 2026, and 2025, an amount of ₹ 4,970 million, and ₹ 4,380 million respectively, was unutilized out of these non-fund based facilities.

## 21. Other non-current financial liabilities

	March 31, 2026	March 31, 2025
6% Compulsorily convertible debentures (Refer Note 18A)	4,000	-
Security deposit	30	52
	<b>4,030</b>	<b>52</b>

## 22. Other non-current non-financial liabilities

	March 31, 2026	March 31, 2025
Contract liability (refer note (i) below)	5,097	3,290
6% Compulsorily convertible debentures (Refer note 18A)	2,063	-
	<b>7,160</b>	<b>3,290</b>

Note:

(i) Refer note 9 for movement in contract liability.

### 23. Trade payables

	March 31, 2026	March 31, 2025
Trade payables	7,455	8,052
	<u>7,455</u>	<u>8,052</u>

Note:  
Trade payables are net of operational trade advances amounting to ₹ 46 (March 31, 2025: ₹ 52) held with the same counterparties. The Group holds a contractually enforceable right and maintains the intent to settle these balances on a net basis during the ordinary course of business.

### 24. Other Current Financial Liabilities

	March 31, 2026	March 31, 2025
Capital creditors (Refer note (i) below)	2,128	1,700
Interest accrued but not due on borrowings	448	89
Deposits from customers	16	16
Other payables (Refer note (ii) below)	765	363
	<u>3,357</u>	<u>2,168</u>

Note (i)

Capital creditor payables are net of advances amounting to ₹ 316 (March 31, 2025: ₹ 293) held with the same counterparties. The Group holds a contractually enforceable right and maintains the intent to settle these balances on a net basis during the ordinary course of business.

Note (ii)

Credit card dues (Refer note (a) below)	762	353
unwinding of interest as per IFRS	3	10
	<u>765</u>	<u>363</u>

(a) Credit limit is ₹ 950 with convenience fee ranging from 5.84% to 6.45% (annualised) on transaction amount. Credit period ranges from 45 to 51 days with penal charges ranging from 21.50% to 23.90% (annualised) on outstanding amount.

### 25. Other current liabilities

	March 31, 2026	March 31, 2025
Advance from customers (refer note (i) below)	2,278	2,454
Other payables (refer note (ii) below)	651	346
Contract liabilities (refer note (iii) below)	4,039	2,823
	<u>6,968</u>	<u>5,623</u>

Note:  
(i) Represents amounts billed and collected from customers for which revenue has not been recognized in accordance with Ind AS.  
(ii) Represents unapplied receipts received from customer, statutory payables and unwinding portion of security deposit.  
(iii) Refer note 9 for the movement in contract liability.

## 26. Revenue

	Year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
<b>Rendering of services</b>			
Service revenue	38,678	33,742	32,098
Installation service revenue	3,304	3,401	1,853
	<b>41,982</b>	<b>37,143</b>	<b>33,951</b>
<b>Sale of products</b>	2,895	2,743	1,683
	<b>44,877</b>	<b>39,886</b>	<b>35,634</b>
	<b>March 31, 2026</b>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Revenue attributable to Unified license			
Revenue from voice services	143	169	206
Revenue from others	13,705	12,134	11,048
Revenue not attributable to Unified license	31,029	27,583	24,380
	<b>44,877</b>	<b>39,886</b>	<b>35,634</b>
<b>Timing of revenue recognition</b>			
- at a point in time	2,895	2,743	1,683
- over a period of time	41,982	37,143	33,951
	<b>44,877</b>	<b>39,886</b>	<b>35,634</b>

Note: Revenue disaggregation as per business segment and geography has been included in segment information (See Note 34).

## 27. Performance obligations and remaining performance obligations

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

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

To be recognized	Amount
Within one year	4,039
One to three years	2,342
Three years or more	2,755

## 28. Cost of sales

Cost of sales information is presented before any depreciation or amortization that is direct and attributable to revenue sources. The Group's asset base deployed in the business is not easily split into a component that is directly attributable to a business and a component that is common / indirect to all the businesses. The major items of cost of sales are as follows:

	Year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Personnel expenses	2,892	2,874	2,859
Network Costs	9,478	9,032	7,869
Cost of Hardware / Software	4,598	4,419	4,327
Power Costs	6,490	5,593	4,623
	<b>23,458</b>	<b>21,918</b>	<b>19,678</b>

## 29. Selling, general and administrative expenses

	Year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Personnel expenses	3,033	2,816	2,453
Marketing and promotion expenses	289	109	117
Administrative and other expenses#	4,801	4,517	3,892
	<b>8,123</b>	<b>7,442</b>	<b>6,462</b>
# Includes			
Repairs and maintenance	2,261	1,816	1,543
Provision for doubtful debts	164	195	265
Rates and taxes	233	224	113
Travelling expenses	246	238	227
Legal and professional	415	228	330
Insurance	161	196	158
Rent	376	312	175
Advertisement, selling and marketing expenses	264	202	160
Corporate social responsibility expenditure	28	28	33
Commission expenses	118	104	113
Communication expenses	82	29	27
Outsourced manpower costs	136	85	47
Power and fuel expenses	157	244	208
Director's sitting fees	13	8	3
Audit fees	13	12	10
Miscellaneous expenses	134	596	480
	<b>4,801</b>	<b>4,517</b>	<b>3,892</b>

## 30. Personnel expenses

	Year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Salaries and wages	5,368	5,245	4,908
Contribution to provident fund and other funds	445	363	327
Staff welfare expenses	56	80	70
Employee stock compensation expense	56	2	7
	<b>5,925</b>	<b>5,690</b>	<b>5,312</b>
Attributable to cost of sales	2,892	2,874	2,859
Attributable to Selling and marketing expenses	51	58	42
Attributable to general and administrative expenses	2,982	2,758	2,411

On November 21, 2025, the GOI notified four labour codes (the "Labour Codes"), effective immediately, replacing the existing 29 labour laws. In accordance with IAS 19, employee benefits and changes to employee benefit plans arising from legislative amendments are treated as plan amendments, requiring immediate recognition of past service cost in the Statement of Income. This approach is consistent with the guidance issued by the Institute of Chartered Accountants of India.

The Group has concluded the salary restructuring exercise in compliance with the Labour Codes. The implementation of the Labour Codes has resulted in a net increase of ₹ 24 million in the provision for gratuity and remeasurement of leave encashment, which has been recognized as employee benefit expense [Past service cost] in the current year. The Group continues to monitor the finalization of Central and State Rules, as well as Government clarifications on other aspects of the Labour Codes.

### 31. Share-based payments

(i) The Group had issued stock options under Associate Stock Option Plan (ASOP) 1999, ASOP 2000, ASOP 2002, ASOP 2005, ASOP 2007 and ASOP 2014. The Compensation Committee grants the options on the basis of performance, criticality and potential of the employees as identified by the management. Each option entitles the holder to purchase one American Depository Share (ADS) at an exercise price determined by the Compensation committee on the date of the grant. There are no options outstanding in respect of ASOP 1999, ASOP 2000, ASOP 2002, ASOP 2005 and ASOP 2007 as of March 31, 2026. The plan details of ASOP 2014 are as follows:

#### Associate Stock Option Plan 2014

During July 2014, the shareholders of the Company approved a new scheme for allotment of shares to employees i.e. Associate Stock Option Plan 2014. 25,000,000 shares are reserved for this plan. Consequently 5,870,800 options were granted to the employees on January 20, 2015. The Company has granted an additional 25,000, 195,000, 465,000, 7,220,000, 335,000, 150,000, 525,000 and 184,300 options to employees during the year 2022-2023, 2021-2022, 2020-2021, 2019-2020, 2018-2019, 2017-2018, 2016-2017 and 2015-2016 respectively.

The options vest in the following manner:

4,304,600 Options (Option Plan I):	3/5th of the options vest at the end of one year from the date of grant. The remaining 2/5th vests at the end of every half year during second and third years from the date of grant in four equal instalments
6,612,700 Options (Option Plan II):	2/5th of the options vest at the end of one year from the date of grant. The remaining 3/5th vests at the end of every half year during second, third and fourth years in six equal instalments
4,052,800 Options (Option Plan III):	2/5th of the options vest at the end of two years from the date of grant. The remaining 3/5th vests at the end of every half year during third, fourth and fifth years in six equal instalments.

The stock options can be exercised within a period of twelve months from the date of last vesting.

As the number of stock options and the price of those options were made known to each allottee, the Plan has been considered as a fixed price grant. Stock option activity under the ASOP 2014 Plan is as follows:

No. of options granted, exercised and forfeited	2026		2025		2024	
	Number of options	Weighted average exercise price in ₹	Number of options	Weighted average exercise price in ₹	Number of options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	1,341,682	60.06	6,329,187	90.12	6,972,978	92.60
Granted during the year	-	-	8,630,671	60.06	-	-
Forfeited during the year	(217,450)	60.06	(1,426,246)	60.06	(146,700)	90.12
Expired during the year	(146,214)	60.06	(11,420,954)	90.12	-	-
Exercised during the year	(505,290)	74.13	(770,976)	60.06	(497,091)	90.12
Outstanding at the end of the year	472,728	74.13	1,341,682	60.06	6,329,187	90.12
Exercisable at the end of the year	390,000	74.13	1,043,802	60.06	5,183,587	90.12

\* During the year there was a ratio change from the current ratio, where one (1) ADS represents one (1) equity share, to a new ratio, where one (1) ADS represents six (6) equity shares, with no change to the Company's equity shares with effect from October 4, 2024. Outstanding options after ratio change is 78,788 at the end of March 31, 2026 out of which exercisable is 65,000 Options.

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

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

A summary of information about fixed price stock options outstanding with respect to ASOP 2014 is furnished below:

As at	Range of exercise price in ₹	Number outstanding on March 31	Weighted average exercise price in ₹	Weighted average remaining contractual life	Number exercisable on March 31	Weighted average exercise price In ₹
March 31, 2026	34.62 - 135.28	472,728	74.13	0.10-1.82 Years	390,000	74.13
March 31, 2025	34.62 - 135.28	1,341,682	60.06	0.09-2.82 Years	1,043,802	60.06
March 31, 2024	66.60 - 230.97	6,329,187	90.12	0.05-3.82 Years	5,183,587	90.12

## (ii) ESOP 2025 - Sify Infinit Spaces Limited ('SISL') - Subsidiary Company

### a. Scheme details

The Subsidiary Company has instituted an employee share-based payment scheme titled “SISL Employee Stock Option Plan 2025” (“ESOP 2025”/“Plan”), which was approved by the shareholders at the general meeting held on September 26, 2025 for granting upto 30 million options. Under the Plan, eligible employees of the Subsidiary Company and its holding company may be granted options to acquire equity shares of the Subsidiary Company upon payment of the grant price. Each option is convertible into one equity share upon exercise. The options vest subject to continued employment and achievement of specified performance conditions, with 40% vesting after two years from the grant date and the remaining 60% vesting over the subsequent three years in equal half-yearly tranches. Vesting is linked to both individual performance and Subsidiary Company performance parameters relating to capacity billed, revenue and EBIT. The options may be exercised upon occurrence of a liquidity event such as an initial public offering or strategic sale, in accordance with the terms of the Plan. The options do not carry rights to dividend or voting prior to exercise.

The following share based payment arrangements were in existence during the current year:

Option Plan	SISL Employee Stock Option Plan 2025
Number of options	1,87,90,000
Grant date	January 18, 2026
Expiry date	January 18, 2031
Exercise price	₹ 150
Vesting pattern	2/5th of the options vests at the end of two years from the date of grant. The remaining 3/5th of the options vests equally every six months over the next 3 years.

### b. Fair value on the grant date

The fair value of options is measured using Black-Scholes valuation model. The fair value of the options granted under the stock option scheme is treated as discount and accounted as employee compensation over the vesting period. The key inputs used in the measurement of the grant date fair valuation of equity settled plans is given in the table below:

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Risk free interest rates	6.45%	-
Expected life	5 years	-
Volatility	15%	-
Dividend yield	0%	-
Exercise price ₹	150	-
Share price on the date of grant ₹	150	-

**c. Movement in share options during the year:**

The movement in the number of stock options are as follows:

<b>No. of options granted, exercised and forfeited</b>	<b>For the year ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Outstanding at the beginning of the year	-	-
Granted during the year	18,790,000	-
Forfeited and expired during the year	-	-
Exercised during the year	-	-
<b>Outstanding at the end of the year</b>	<b>18,790,000</b>	<b>-</b>
<b>Exercisable at the end of the year</b>	<b>-</b>	<b>-</b>

Range of weighted average remaining contractual life, weighted average fair value and weighted average share price for the options are as follows:

<b>Particulars</b>	<b>For the year ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Remaining contractual life for the options outstanding as of (years)	4.8 Years	-
Fair value for the options granted during the year ended (₹)	38.36 to 48.40	-

**32. Finance income and expense**

	<b>Year ended</b>		
	<b>March 31, 2026</b>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Finance income	1	13	-
<b>Finance income</b>	<b>1</b>	<b>13</b>	<b>-</b>
Interest expense on lease obligations *	336	299	250
Interest expense on pension liabilities	13	2	2
Interest expense on borrowings *	3,614	2,443	1,952
<b>Finance expense</b>	<b>(3,963)</b>	<b>(2,744)</b>	<b>(2,204)</b>
<b>Net finance income / (expense) recognized in profit or loss</b>	<b>(3,962)</b>	<b>(2,731)</b>	<b>(2,204)</b>

\* interest expense calculated using the effective interest method.

**Capitalized borrowing costs**

Borrowing costs capitalized during the year amounted to ₹ 150 (March 2025: ₹ 515).

### 33. Earnings per share

The calculation of basic earnings per share for the years ended March 31, 2026, 2025, and 2024 is based on the profit / (loss) attributable to ordinary shareholders of ₹(1,366), ₹(785), and ₹169 respectively and a weighted average number of shares outstanding of 434,455,365, 373,167,257 and 183,033,950 respectively, calculated as follows:

	Year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Net profit/(loss) – as reported	(1,366)	(785)	169
Weighted average number of shares – basic	434,455,365	373,167,257	183,033,950
Basic earnings per share	(3.14)	(2.10)	0.92
Weighted average number of shares – diluted	434,754,395	373,605,546	185,198,369
Diluted earnings per share	(3.14)	(2.10)	0.91

#### Weighted average number of ordinary shares basic

	Year ended		
	2026	2025	2024
Issued fully paid ordinary shares on April 01	434,102,399	183,332,460	182,835,369
Effect of shares issued on exercise of stock options	352,966	109,557	198,581
Effect of Rights issue	-	189,725,240	-
Weighted average number of equity shares and equivalent shares outstanding	<u>434,455,365</u>	<u>373,167,257</u>	<u>183,033,950</u>

#### Weighted average number of ordinary shares diluted

	Year ended		
	2026	2025	2024
Weighted average number of ordinary shares (basic)	434,455,365	373,167,257	183,033,950
Effect of stock options (Note 1)	299,030	438,289	2,164,419
Weighted average number of equity shares outstanding (diluted)	<u>434,754,395</u>	<u>373,605,546</u>	<u>185,198,369</u>

Note 1: The Group has issued Associate Stock Options of which 472,728 (Previous year: 1,341,682) options are outstanding as at March 31, 2026. These could potentially dilute basic earnings per share in future. Refer Note (31).

Note 2: During the year, SISL has outstanding Employee Stock Option Plans granted as per note 31. If fully vested and exercised, these options will result in the issuance of fresh equity shares of the subsidiary.

This issuance will:

- 1) Dilute the Parent Company's percentage of ownership and economic interest in the subsidiary.
- 2) Change the Group's share in the subsidiary's net profits, thereby impacting the Consolidated Earnings Per Share (EPS)

### 34. Segment reporting

The operating segments of the Group has been reclassified in the Financial Year with effect from April 1, 2021 pursuant to the business reorganization done in the 2020-21 through Business Transfer Agreement (BTA) dated January 28, 2021. Consequently, Group's operating segments are as follows:

- |                                |  |
|--------------------------------|--|
| a. <u>Network services</u>     | Consists of domestic data, international data, wholesale voice   |
| b. <u>Data Center Services</u> | Consists of co-location services, cross connects and other allied managed services                     |
| c. <u>Digital Services</u>     | Consists of Cloud and Managed Services, Network Managed Services and Applications Integration Services |

**Network services** - The Network services consist of network services addressing the domestic connectivity needs of Indian enterprises and international inward and outward connectivity needs of International Enterprises. The services include a comprehensive range of Internet protocol based Virtual Private Network, offerings, including intranets, extranets, and remote access applications to both small and large corporate customers. The Group provides MPLS-enabled IP VPN's through entire network. The Group also provides last mile connectivity to customers.

The cable landing station and investment in submarine cable consortium are other assets extended to international partners for international inward and outward connectivity needs. The cable landing station currently lands 2 major submarine cables; namely Gulf Bridge International (GBI) and the Middle Eastern and North African cable (MENA)

**Data Center services:** The Group operates 14 Concurrently Maintainable Data Centers, of which seven are located in Mumbai (Bombay), two each at Noida (Delhi) and Chennai (Madras), one each at Bengaluru, Kolkata and Hyderabad to host mission-critical applications. The Group offers co-location services which allow customers to bring in their own rack-mountable servers and house them in shared racks or hire complete racks and even rent 'secure cages' at the hosting facility as per their application requirements. It also offers a wide variety of managed hosting services, such as storage, back-up and restoration, performance monitoring and reporting hardware and software procurement and configuration and network configuration under this business line.

#### **Digital services:**

The Group offers following services under Digital Services segment:

On-demand hosting (cloud) services offer end-customers with the solutions to Enterprises. On-demand cloud services giving companies the option to "pay as you go" basis.

Remote and Onsite Infrastructure Management services which provide management and support of customer operating systems, applications, and database layers.

Network Operations Center (NOC) services, managed SDWAN and managed Wi-Fi solutions.

Data Centre Build, Network Integration, Information security and End User computing.

Web-applications which include sales force automation, supply chain management, intranet and extranets, workflow engine and knowledge management systems.

Online portals, such as [www.sify.com](http://www.sify.com) with content on technology. The Group also offers value-added services to organizations such as website design, development, content management, digital certification services, Online assessment tools, search engine optimization, including domain name management, secure socket layer (SSL) certificate for websites, and server space in required operating system and database. It provides messaging and collaboration services and solutions such as e-mail servers, LAN mail solutions, anti-spam appliances, bulk mail services, instant messaging, and also offer solutions and services to enable data and access security over the Internet, Infrastructure-based services on demand, including on-line testing engine and network management. On-line testing services include test management software, required servers and proctored examination facilities at Sify's franchisee points. On-line exam engine offered allows a secure and flexible way of conducting examinations involving a wide range of question patterns.

The Chief Operating Decision Maker (“CODM”), i.e., The Board of Directors and the senior management, evaluate the Group’s performance and allocate resources to various strategic business units that are identified based on the products and services that they offer and on the basis of the market served. Revenue in relation to segments is categorized based on items that are individually identifiable to that segment.

Bandwidth costs, which form a significant part of the total expenses, is allocated to Network Services. Manpower costs of Technology resources rendering services to support Infrastructure operations, Managed services and Application services, are identified to respective operating segments specifically. The Group believes that the resulting allocations are reasonable.

Certain expenses, technology infrastructure and administrative overheads, which form a significant component of total expenses, are not allocable to specific segments as the underlying services are used interchangeably. Management believes that it is not practical to provide segment disclosure of these expenses and, accordingly, they are separately disclosed as “unallocated” and adjusted only against the total income of the Group.

The Group’s operating segment information for the years ended March 31, 2026, 2025 and 2024 are presented below:

**Year ended March 31, 2026**

	<b>Network- Connectivity Services (A)</b>	<b>Data Center Services (B)</b>	<b>Digital Services (C)</b>	<b>Total (D) = (A)+(B)+(C)</b>
External customers	17,634	17,519	9,724	44,877
Intersegment revenues	-	88	222	310
Operating expenses	(14,309)	(9,544)	(10,790)	(34,643)
Intersegment expenses	(252)	-	(58)	(310)
Segment operating income / (loss)	3,073	8,063	(902)	10,234
<i>Unallocated expenses:</i>				
Support service unit costs				(349)
Depreciation and amortization				(7,274)
Other income / (expense), net				410
Finance income				1
Finance expenses				(3,963)
Profit / (loss) before tax				(941)
Tax (expense) / benefit				(425)
<b>Profit / (loss) for the year</b>				<b>(1,366)</b>

**Year ended March 31, 2025**

	<b>Network- Connectivity Services (A)</b>	<b>Data Center Services (B)</b>	<b>Digital Services (C)</b>	<b>Total (D) = (A)+(B)+(C)</b>
External customers	15,781	14,196	9,909	39,886
Intersegment revenues	-	88	221	309
Operating expenses	(13,920)	(7,768)	(10,612)	(32,300)
Intersegment expenses	(252)	-	(57)	(309)
Segment operating income / (loss)	1,609	6,516	(539)	7,586
<i>Unallocated expenses:</i>				
Support service unit costs				(59)
Depreciation and amortization				(5,633)
Other income / (expense), net				551
Finance income				13
Finance expenses				(2,744)
Profit / (loss) before tax				(286)
Tax (expense) / benefit				(499)
<b>Profit / (loss) for the year</b>				<b>(785)</b>

Year ended March 31, 2024

	Network- Connectivity Services (A)	Data Center Services (B)	Digital Services (C)	Total (D) = (A)+(B)+(C)
External customers	14,661	11,054	9,919	35,634
Intersegment revenues	-	88	221	309
Operating expenses	(12,319)	(6,425)	(10,105)	(28,849)
Intersegment expenses	(252)	-	(57)	(309)
Segment operating income / (loss)	2,090	4,717	(22)	6,785
<i>Unallocated expenses:</i>				
Support service unit costs				9
Depreciation and amortization				(4,773)
Other income / (expense), net				535
Finance income				-
Finance expenses				(2,204)
Profit / (loss) before tax				352
Tax (expense) / benefit				(183)
<b>Profit / (loss) for the year</b>				<b>169</b>

Disclosure of segment assets and liabilities

Particulars	March 31,2026	March 31,2025	March 31,2024
<b>Segment assets</b>			
Network centric services	24,425	23,927	19,042
Data center services	53,028	43,941	38,371
Digital services	6,898	8,353	7,576
Unallocated assets	6,322	7,108	5,993
<b>Total assets</b>	<b>90,673</b>	<b>83,329</b>	<b>70,982</b>
<b>Segment liabilities</b>			
Network centric services	24,145	22,394	19,171
Data center services	39,842	32,523	26,539
Digital services	7,753	8,283	7,200
<b>Total liabilities</b>	<b>71,740</b>	<b>63,200</b>	<b>52,910</b>
<b>Capital employed</b>	<b>18,933</b>	<b>20,129</b>	<b>18,072</b>

note: unallocated assets consist of deferred tax assets, cash and cash equivalents, Investments other than investments in PPAs and interest accrued on those investments.

Additional information

a) Capital expenditure incurred during the year

Particulars	March 31,2026	March 31,2025	March 31,2024
Network centric services	2,449	4,197	2,990
Data center services	10,366	13,483	5,990
Digital services	474	496	240
<b>Total</b>	<b>13,289</b>	<b>18,176</b>	<b>9,220</b>

b) Depreciation & amortization expense during the year

Particulars	March 31,2026	March 31,2025	March 31,2024
Network centric services	2,452	2,176	1,980
Data center services	4,474	3,145	2,541
Digital services	348	312	252
<b>Total</b>	<b>7,274</b>	<b>5,633</b>	<b>4,773</b>

Geographic segments

The Group has two geographic segments India and rest of the world. Revenues from the geographic segments based on domicile of the customer are as follows:

Description	India	Rest of the world	Total
<b>Revenues</b>			
Year ended March 31, 2026	41,736	3,141	44,877
Year ended March 31, 2025	36,850	3,036	39,886
Year ended March 31, 2024	33,304	2,330	35,634

The Group does not disclose information relating to non-current assets located in India and rest of the world as the necessary information is not available and the cost to develop it would be excessive.

During the year under review revenue from one customer of the Group's data center and network services segment is ₹ 8,809 million which is more than 20% of the Group's total revenue.

### 35. Contingencies

- a) Claims against the Group not acknowledged as debts includes demands from Indian Income Tax authorities for payment of tax amounting to ₹ Nil (previous year: ₹ Nil).
- b) Contingencies due to certain Service Tax claims as at March 31, 2026 amounted to ₹ 476 (previous year: ₹ 416).
- c) Contingencies due to certain Sales Tax claims as at March 31, 2026 amounted to ₹ 13 (previous year: ₹ 13)\*.
- d) Contingencies due to certain Goods And Services Tax claims as at March 31, 2026 amounted to ₹ 1,212 (Previous Year: ₹ 1,131)\*.
- e) Contingencies due to certain Goods And Services Tax claims for which tax liability amounting to ₹ 41 has been paid under amnesty scheme. The appeal has been withdrawn and application is submitted for settlement of dispute under amnesty scheme. Interest and penalty under dispute is ₹ 141. All these cases have been settled during the fiscal year 25-26.
- f) The Group is subject to legal proceedings and claims which are arising in the ordinary course of business. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Group's results of operations or financial conditions.
- g) The Group's assessments in India are completed for the years up to March 31, 2024. The Company has received demands on multiple tax issues. These claims are primarily arising out of the disallowances of certain expenses and adjustments of certain unearned incomes.

The appeals filed against the said nature of adjustments before the appellate authorities have been allowed in favor of the Company by the Income Tax Appellate authority for the years up to March 31, 2020 which either has been or may be contested by the Income tax authorities before the Hon'ble Supreme Court of India.

\* Out of the above, an amount of ₹78 has been paid under protest.

#### Put Option:

- A. Sify Infinit Spaces Limited (SISL), subsidiary of the Sify Technologies Limited has issued Compulsorily Convertible Debentures (CCD) to Kotak Special Situations Fund (KSSF) with initial subscription of ₹ 2,020 with subsequent subscription of ₹ 1,980 during the year 2021-2022 and 2022-23 and an option to request additional ₹ 6,000. This Debenture Subscription Agreement is supplemented by a Put Option Agreement with the Company to ensure KSSF has protective rights in case there is contract breach or conditions for conversion is not met over the term of the instrument.

SISL has executed a Waiver Cum Amendment Agreement ('WCA') dated September 25, 2025, with KSSF amending the Debenture Subscription Agreement ('DSA'). This WCA becomes effective and binding on the Parties from the date of filing of the Draft Red Herring Prospectus ('DRHP') in relation to the proposed Initial Public Offering of its equity shares ('Offer') with SEBI and shall remain effective until such time WCA is terminated. As per the WCA, the Compulsory Convertible Debentures ('CCDs') held by KSSF shall be fully, mandatorily, compulsorily and automatically convertible into equity shares upon earlier of:

1. October 01, 2031, for KSSF without any act or application by KSSF;
2. Prior to filing the updated DRHP with Securities and Exchange Board of India ('SEBI') and the updated DRHP shall be filed within 10 business days from the conversion or such other extended time as may be mutually agreed;
3. At any time as may be required by KSSF.

Pursuant to SISL filing DRHP on October 16, 2025 with Securities and Exchange Board of India ('SEBI'), BSE Limited and National Stock exchange of India Limited in connection with the Offer and in compliance with the SEBI (ICDR) Regulations, 2018, which prescribes that an Issuer shall not be eligible to make an initial public offer if there are any outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the issuer, on February 7, 2026, SISL has converted the outstanding CCDs held by KSSF into equity shares.

- B. The WCA shall stand automatically terminated upon the earlier of the following dates:
  1. Twelve months from the date of receipt of final observations from SEBI;
  2. Exit Long Stop Date as defined in the DSA;
  3. the date on which the Board decides not to undertake the IPO or decides to withdraw the IPO or any offer document filed with any regulator/ authorities in respect of the IPO;
  4. the date on which the offer agreement executed between the Company, KSSF and the BRLMs, is terminated;
  5. this WCA being terminated by the mutual written agreement of all Parties, including if the listing of the Equity Shares pursuant to the IPO is not completed by then, subject to a withdrawal of the DRHP upon such termination.

In case of termination of WCA, the provisions of the DSA (as existing prior to the execution of WCA) shall

1. immediately and automatically stand reinstated with full force and effect without any further action or deed required on the part of any Party; and
2. be deemed to have been in force during the period between the date of execution of this WCA and the date of termination of this WCA, without any break or interruption whatsoever.

## Unrecognized contractual commitments from physical PPAs

Estimated future cash flows from buying electricity under physical PPAs in force at the reporting date are set out below. The reported amounts do not represent the full commitment under these contracts.

	Year 1	Year 2 - 5	Year 6 - 10	After Year 10
Estimate at March 31, 2026	1,226	4,664	5,324	4,812

The above estimates are based on volume expectations that we have developed based on past experiences.

### Europe India Gateway:

The Group has entered into a contract with Emirates Integrated Telecom (“the Emirates”) for the construction and supply of undersea cable capacity from the Europe India Gateway. As per the contract with Emirates, the Group is required to pay its share of decommissioning costs, if any, that may arise in the future. No provision has been made by the Group for such decommissioning costs as the amount of provision cannot be measured reliably as of March 31, 2026. The capacity under the mentioned facility would be upgraded over a period of time.

### Legal proceedings:

- a) Proceedings before Department of Telecommunications

### Adjusted Gross Revenue (AGR):

Sify was issued a Unified License (non-access/non-mobile license) pursuant to which Sify provides ISP, NLD & ILD services to enterprise customer and continues to comply and pay a license fee on the licensed activities.

DoT demanded a license fee on the non-telecom business revenue on both mobile license holders and non-mobile license holders, including Sify. The demand made by DoT was challenged by mobile (access license) operator and the Supreme Court held that mobile operators have to pay the license fee on the gross revenue as they were using spectrum and had opted for migration package. The Supreme Court later clarified that this judgement was not applicable to non-access/non-mobile operators.

The Supreme Court had by its order dated June 10, 2020, accepted the stance of the DoT that the licenses of PSUs are different and the judgement of October 24, 2019 could not be made the basis for raising demands against PSUs as they are not in the actual business of providing Mobile Services to the General Public.

DoT had also issued a demand notice to Sify and to other non-mobile operators seeking to charge a license fee on the non-telecom revenue. Sify challenged the demands before the Madras High Court in 2013 and the demands were stayed. Meanwhile one of the non-access and non-mobile license holder, similar to the license held by Sify, challenged the demand made by DoT before TDSAT, Delhi. TDSAT vide its Order dated February 28, 2022 quashed the demands made by DoT seeking license fee, interest on license fee, penalty and interest on penalty on the revenue accruing from other business revenue (i.e. non-telecom) other than the licensed based activities.

DoT issued a demand notice on August 22, 2013 to the Company demanding license fee on the non-telecom revenue against which the Company filed petitions before the Madras High Court. After finally hearing the parties, the Hon'ble Madras High Court vide its judgement dated April 30, 2024 quashed the 18 demands made by DoT and held that DoT cannot claim license fee on the non-telecom revenue.

DoT has appealed before the Madras High Court challenging the judgement dated April 30, 2024 and the Madras High Court had stayed the judgement dated April 30, 2024 and this was challenged by Sify before the Madras High Court and the order was passed in favor of Sify that no coercive action to be taken by DoT pending disposal of the Writ Appeal.

On May 22, 2025, DoT invoked the bank guarantee submitted by Sify without any notice or intimation, claiming that Sify has failed to pay the license fee on "Other Income" for the FY 2020-21, 2021 - 22 and 2023 - 24 and encashed a sum of ₹68.70 million despite several requests and objections submitted by Sify.

Sify submitted its objection and sought clarification on the invocation of bank Guarantee. Further a representation was also submitted to Member Finance and Joint Controller of DoT on the invocation of BG. However, no workings were provided by DoT till date. By letter dated May 28, 2025 and June 11, 2025, DoT called upon Sify to replenish the BG for a sum of ₹68.70 million and informed to take further action. Sify accordingly replenished the BG under protest and without prejudice to rights.

On July 10, 2025, Sify filed writ petitions with the Madras High Court challenging the order of invocation of BG and sought for refund of the encashed amount. The Madras High Court granted interim injunction against DoT and tagged the petitions along with the Writ Appeals. The Writ petitions are pending for final arguments along with the Writ Appeal.

#### **License fee on Pure Internet:**

DoT migrated the licenses of few service providers, whose licenses expired in 2013 to UL regime and demanded license fee on pure Internet only from those migrated service providers without providing level playing field on pure internet services. However, the Company through Internet Service Providers Association of India challenged the said condition before TDSAT. TDSAT by its order dated October 18, 2019 set aside the demand made by the DoT and held that license fee is not chargeable on the Internet Service Providers. DoT has filed appeal before Supreme Court and the appeal is pending for final hearing.

Subsequently DoT notified level playing field for all the telecom licensed operator and accordingly the company has started paying AGR on pure internet effective as of April 1, 2022 pursuant to the notification issued by DoT.

#### **(b) Online Exam case:**

(i) The Company has conducted online examinations for more than a decade using its platform (I-Test) and delivered large volume online examinations for several reputed clients including Staff Selection Commission ("SSC") (customer), and is certified on quality and security for CMMI Level 5 and CERT-in. After technical evaluation, the Company was awarded a contract dated April 12, 2016 for a period of two years and accordingly Sify had successfully conducted 15 such Pan India online examination under the supervision of customer for more than 20 million candidates with 40,000 unique questions. In one of the combined group level examinations dated February 21, 2018, screenshots of a few of the questions appeared on social media. The Company brought to the notice of the Chairman of the customer and the said question paper was cancelled and the candidates were asked to redo the examination with different set of question paper within couple of hours. Further at the request of customer, re-examination was also conducted after couple of weeks. Hence there was no damage to the sanctity of the examination as immediate action was taken jointly by the Company and customer. However, some parties provoked candidates and continued to claim that the question paper was leaked and insisted customer to cancel the entire examination process. As few candidates continued to protest, the GOI directed the investigating authority to conduct an enquiry into the allegations. A public interest litigation was also filed before the Hon'ble Court for cancellation of the examination process. However, the Hon'ble Court appointed a high-level technical committee to conduct enquiry and submit a report to the Court.

A detailed report was submitted by the committee and investigating team before the Hon'ble Court, which held that there was no evidence to show that the examination process was tainted and hence the PIL stood dismissed. Accordingly, SSC released all the payments to Sify for the examination. In 2018, the investigating authority filed its final report stating that one of the candidate along with her husband engaged in malpractice with a sole intention to cancel the examinations uploaded few questions in the social media. There was no allegations against Sify or its employee. After 4 years, the investigating authority chose to file 3 additional supplementary chargesheet naming the company and one of its employee for not following the standard operating procedure. The Company believes that it had successfully delivered the examination in terms of RFP and the consideration was released by customer after receiving the report from the Committee.

The investigating agency chooses to name the Company and one of its employees in the chargesheet filed before the CBI Court. Three CBI cases were listed for arguments on admission of charges.

(ii) The Department of Education, Bihar issued an order of blacklisting, after the Company had conducted several online examinations, alleging deficiency without taking into account the deficiency of the agency responsible for the questions, SCERT. A representation was made by the Company along with all the required documents seeking revocation of the Order of blacklisting. While the Company's representation for revocation of the order was pending for consideration, the Company was advised to file a petition before the High Court, Patna. Accordingly, the petition filed by Sify to revoke the order of blacklisting was set-aside by Chief Justice of the Patna High Court by its order dated April 16, 2025 on merits after hearing both the parties and in the same order the Patna High Court had remitted the matter back to the concerned authority for renewed consideration of the reasons provided by the Company. Subsequently, the Department of Education conducted a meeting on July 8, 2025, as per the direction of the Patna High Court and had issued an order on July 21, 2025, debaring the Company from participating in education tenders in Patna until March 31, 2026. The Company challenged the debarment order before the Patna High Court and on a hearing before the Patna High Court on October 8, 2025, both the Company and the Department of Education presented their arguments. On October 14, 2025 the Patna High Court had passed orders dismissing the writ petition filed by the Company.

Subsequently the Company had preferred a Special Leave Petition (SLP) before the Supreme Court challenging the dismissal order of the Patna High Court and when the matter was taken up for hearing the Supreme Court was not convinced to and had shown intent to dismiss the SLP hence the Company had taken leave of the court and withdrew the SLP with the liberty to prefer review before the Patna High Court. Subsequently the Company had filed review petition before the Patna High Court and on March 18, 2026 the Patna High Court had heard the arguments and passed an order categorically mentioning that "the period of blacklisting came to end on March 31, 2026, and will not come in the way or work to the detriment of the petitioner (Sify) in participating in any fresh tender, in future, if otherwise, the petitioner is found eligible" and disposed the review petition.

#### **c) Others:**

- 1) The company is party to additional legal actions arising in the ordinary course of business. Based on the available information as at March 31, 2026, the Company believes that it has adequate legal defenses for these actions and that the ultimate outcome of these actions will not have a material adverse effect on the Company's financial position and results of operations.
- 2) The Company has received an order passed under section 7A of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 from Employees Provident Fund Organisation (EPFO) claiming provident fund contribution aggregating to ₹ 6.4 million on special allowances paid to employees. The company has filed a writ petition before High court of Madras and obtained the stay of demand. In February 2019, the Supreme Court held, in a similar case, that Special allowances paid by the employer to its employee will be included in the scope of basic wages and subject to provident fund contribution. However, the Supreme Court has not fixed the effective date of order.
- 3) During the financial year 2019-2020, Directorate General of Goods and Services Tax Intelligence (DGGI) performed an inspection based on the analysis of service tax returns filed by the company in the past. The Company has been categorizing services relating to e-Learning and Infrastructure Management Services provided to foreign customers billed in convertible foreign currency under OIDAR services while filing its half-yearly service tax return. However, based on the Place of Provision of Services Rules then applicable under the Finance Act, 1994, Service Tax has to be paid for OIDAR services provided to foreign customers even if the conditions for qualifying as export of services are met. Hence, the DGGI contended that Service Tax should be paid on the services classified as OIDAR services in the returns. The total contended during the period April 2014 to November 2016 of Service Tax was ₹ 161.8 million and the Interest & Penalty as applicable. The Company believes that the services relating to e-learning and infrastructure management services will not fall under OIDAR services and also the activities covered under E-learning and IMS does not meet the conditions for taxation under the provisions applicable as OIDAR and hence there is no liability. However, during the investigation, the Company has paid ₹ 64.6 million under protest to continue the proceeding with the relevant adjudicating authorities. Thereafter, the DGGI has issued Show Cause Notice and the Company has replied on the same. The matter is pending with the Adjudicating Authority. The Company believes that no provision is required to be made against this demand. The amount of ₹ 64.6 million paid under protest is accounted as Balance with Service Tax authorities and disclosed under "Other non-current non-financial assets" Note.10 to the Consolidated Financial Statements.
- 4) Sri Devara Suri Appa Rao and four others have initiated a Writ Petition before the High Court of Andhra Pradesh, Amaravati bench challenging the allotment of land measuring approximately 0.25 acres by the State Government of Andhra Pradesh in Sy No.134 of Paradesipalem village in favor of Sify Infinit Spaces Limited (SISL) by way of G.O.Ms.No.29 dated August 1, 2025 as illegal, arbitrary and violative of the petitioner's right. The Petitioners claim to be the legal heirs of the late Sri Devara Appaya who was granted patta on March 03,1905. In 2007, the Visakhapatnam Urban Development Authority attempted to take possession of the property by classifying the property as Banjar Dry (uncultivated land). The petitioner had filed a revision petition before the Director of Survey and Settlement Mangalagiri and such is pending adjudication.

The Writ Petition had come for hearing previously on November 24, 2025 and the state government had argued that the Director of Survey and Settlement had dismissed the petition the Petitioners had filed before it and the order copy of the same will be placed before the High Court in the next hearing. The Writ Petition has come for hearing on February 11, 2026 and on hearing both side arguments the High Court had observed that the subject matter of alienation of the land and the revision petition was dismissed by the Director of Settlements – Revision Authority by its order dated October 20,2025 this writ petition was also disposed and the interim order granted also stood vacated.

#### **Guarantees:**

As at March 31, 2025, and 2026, guarantees provided by Sify on behalf of the Subsidiaries to banks and NBFCs amounts to approximately ₹ 2,522 and ₹ 1,887 respectively.

### 36. Related party transaction:

The related parties where control / significant influence exists are subsidiaries and associates. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director whether executive or otherwise. Key management personnel include the Board of Directors and other senior management executives. The other related parties are those with whom the Group has had transaction during the years ended March 31, 2026, 2025 and 2024 are as follows:

Particulars	Country of incorporation	% of Ownership interest	
		March 31, 2026	March 31, 2025
<b>Holding Company</b>			
Raju Vegesna Infotech & Industries Private Limited	India		
<b>Wholly owned Subsidiaries of Holding company</b>			
Ramanand Core Investment Company Private Limited	India		
Satya Sravanthi Agrofarms Private Limited	India		
Anantha Koti Raju Developers Private Limited	India		
V.A.L.S. Developers Private Limited	India		
KKAAR Farms and Developers Private Limited	India		
Raju Vegesna Properties (India) Private Limited	India		
V.A.R. Agrotech Private Limited	India		
Village Inns (India) Private Limited	India		
Raju Vegesna Developers Private Limited	India		
V.R.R. Shelters Private Limited	India		
<b>Subsidiaries</b>			
Sify Technologies (Singapore) Pte. Limited	Singapore	100.00	100.00
Sify Technologies North America Corporation	USA	100.00	100.00
Sify Data and Managed Services Limited	India	100.00	100.00
Sify Infnit Spaces Limited *	India	88.45	100.00
Sify Digital Services Limited	India	100.00	100.00
SKVR Software Solution Private Limited *	India	94.34	100.00
<b>Key Management Personnel</b>			
Mr. Raju Vegesna - CEO, Chairman and Managing Director			
Mr. M P Vijay Kumar - Executive Director & Chief Financial Officer			
Mr. C R Rao - Chief Operating Officer			
Mr. Arun Seth - Independent Director			
Mr. Ram Sewak Sharma - Independent Director (w.e.f. 20.06.2025)			
Mr. Thomas Michael Bradicich - Independent Director (w.e.f. 05.07.2024)			
Mrs. Padmaja Chunduru - Independent Director (w.e.f. 12.10.2024)			
Mrs. Bala Saraswathi Vegesna - Professional Director			
<b>Trust controlled by KMP:</b>			
Vegesna Family Trust, USA			
Raju Vegesna Foundation, India			

\* Pursuant to Conversion of Compulsorily Convertible Debentures and Compulsorily Convertible Preference Shares into equity Shares by SISL on February 07,2026, the holding of Sify Technologies Limited stands reduced from 100% to 88.45%. Consequently, the holding in SKVR Software Solution Private Limited stands reduced from 100% to 94.34%.

The following is a summary of the related party transactions for the year ended March 31, 2026:

Transactions	Holding Company	Others	Key Management Personnel
Consultancy services received	-	-	-
Sitting fees paid	-	-	15
Salaries and other short-term benefits *	-	-	46
Contributions to defined contribution plans *	-	-	2
Share based payment transactions *	-	-	-
Lease rentals paid	3	10	-
CSR Contribution made	-	25	-
<b>Amount of outstanding balances</b>			
Advance lease rentals and refundable deposits made	1	6	-
Lease rentals payable	-	-	-

All transactions between Sify Technologies Limited and its subsidiaries up to March 31, 2026 of this Annual Report have been in the ordinary course of business

The following is a summary of the related party transactions for the year ended March 31, 2025:

<b>Transactions</b>	<b>Holding Company</b>	<b>Others</b>	<b>Key Management Personnel</b>
Consultancy services received	-	-	0
Sitting fees paid	-	-	7
Salaries and other short-term benefits *	-	-	50
Contributions to defined contribution plans *	-	-	3
Share based payment transactions *	-	-	-
Lease rentals paid	2	9	-
CSR Contribution made	-	20	-
<b>Amount of outstanding balances</b>			
Advance lease rentals and refundable deposits made	1	6	-
Lease rentals payable	-	-	-

Note: 0 represents amount below the rounding off norm adopted by the Group.

All transactions between Sify Technologies Limited and its subsidiaries up to March 31, 2025 of this Annual Report have been in the ordinary course of business

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

<b>Transactions</b>	<b>Holding Company</b>	<b>Others</b>	<b>Key Management Personnel</b>
Consultancy services received	-	-	0
Sitting fees paid	-	-	3
Salaries and other short-term benefits *	-	-	62
Contributions to defined contribution plans *	-	-	3
Share based payment transactions *	-	-	-
Lease rentals paid	1	9	-
CSR Contribution made	-	28	-
<b>Amount of outstanding balances</b>			
6% Non-Cumulative Compulsorily convertible preference shares	-	500	-
Advance lease rentals and refundable deposits made	-	6	-
Lease rentals payable	0	1	-

Note: 0 represents amount below the rounding off norm adopted by the Group.

All transactions between Sify Technologies Limited and its subsidiaries up to March 31, 2024 of this Annual Report have been in the ordinary course of business

\* Represents salaries and other benefits of Key Management Personnel comprising of Mr. M P Vijay Kumar – Executive Director and Chief Financial Officer, Mr. C R Rao – Chief Operating Officer and Mr. Kamal Nath - Chief Executive Officer (for March 31, 2025 and March 31, 2024).

### 37. Financial instruments

#### *Financial instruments by category*

The carrying value and fair value of financial instruments by each category as of March 31, 2026 were as follows:

<b>Particulars</b>	<b>Note</b>	<b>Financial assets/ liabilities at amortized costs</b>	<b>Financial assets / liabilities at FVTPL</b>	<b>Financial assets / liabilities at FVTOCI</b>	<b>Total carrying value</b>	<b>Total fair value</b>
<b>Assets</b>						
Cash and cash equivalents	8	4,098	-	-	4,098	4,098
Other bank balances	8	974	-	-	974	974
Trade receivables	16	12,648	-	-	12,648	12,648
Other financial assets	12 & 17	3,018	9	-	3,027	3,027
Investments	11	447	-	958	1,405	1,405
<b>Liabilities</b>						
Bank overdraft	8	-	-	-	-	-
Lease liabilities	7	3,902	-	-	3,902	3,902
Other financial liabilities	21 & 24	3,387	-	-	3,387	3,387
Borrowings from banks	20	25,094	-	-	25,094	25,094
Supplier finance arrangements	20	4,011	-	-	4,011	4,011
Borrowings from others	20	6,999	-	-	6,999	6,999
Trade payables	23	7,455	-	-	7,455	7,455
6% Compulsorily Convertible Debentures	21	4,000	-	-	4,000	4,000
8.95% Non - convertible Debentures	20	2,500	-	-	2,500	2,500

The carrying value and fair value of financial instruments by each category as of March 31, 2025, were as follows:

Particulars	Note	Financial assets/ liabilities at amortized costs	Financial assets / liabilities at FVTPL	Financial assets / liabilities at FVTOCI	Total carrying value	Total fair value
<b>Assets</b>						
Cash and cash equivalents	8	4,997	-	-	4,997	4,997
Other bank balances	8	1,761	-	-	1,761	1,761
Trade receivables	16	10,916	-	-	10,916	10,916
Other financial assets	12 & 17	2,693	19	-	2,712	2,712
Investments	11	404	-	825	1,229	1,229
<b>Liabilities</b>						
Bank overdraft	8	326	-	-	326	326
Lease liabilities	7	3,810	-	-	3,810	3,810
Other financial liabilities	21 & 24	2,220	-	-	2,220	2,220
Borrowings from banks	20	20,925	-	-	20,925	20,925
Supplier finance arrangements	20	4,106	-	-	4,106	4,106
Borrowings from others	20	5,689	-	-	5,689	5,689
Trade and other payables	23	8,052	-	-	8,052	8,052
6% Compulsorily Convertible Debentures	20	6,260	-	-	6,260	6,260
8.95% Non - convertible Debentures	20	2,500	-	-	2,500	2,500

#### *Details of financial assets hypothecated as collateral*

The carrying amount of financial assets as at March 31, 2026 and 2025 that the Group has provided as collateral for obtaining borrowings and other facilities from its bankers are as follows:

	As of	
	March 31, 2026	March 31, 2025
Cash and cash equivalents	2,993	2,110
Trade receivables	7,637	3,377
	<b>10,630</b>	<b>5,487</b>

#### *Derivative financial instruments*

##### **(a) Forwards and options**

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 do not qualify for hedge accounting under IFRS 9 and are initially recognized at fair value on the date the contract is entered into and subsequently re-measured at their fair value. Gains or losses arising from changes in the fair value of the derivative contracts are recognized immediately in profit or loss. The counterparties for these contracts are generally banks or financial institutions.

The following table gives details in respect of the notional amount of outstanding foreign exchange contracts as at March 31, 2026 and 2025.

	As of	
	March 31, 2026	March 31, 2025
<b>Forward contracts</b>		
In U.S. Dollars (Sell)	2	-
In U.S. Dollars (Buy)	-	-
(Gain) / loss on mark to market in respect of forward contracts outstanding	2	-

The Company recognized a net loss on the forward contracts of ₹ 2 million (March 31, 2025: ₹ Nil – Net loss) for the year ended March 31, 2026.

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

	As of	
	March 31, 2026 (US \$)	March 31, 2025 (US \$)
<b>Sell:</b>		
Not later than one month	-	-
Later than one month and not later than three months	2	-
Later than three months and not later than six months	-	-
Later than six months and not later than one year	-	-

**(b) Cross Currency Swap:**

The Group has entered into Cross Currency Swaps in order to hedge the cash flows arising out of the Principal and Interest payments of the underlying External Commercial Borrowing denominated in USD. The period of the swap contracts is co-terminus with the period of the underlying ECB. As per the terms of the arrangement, the Company shall pay INR fixed and receive fixed USD principal and interest cash flows during the term of the contract. The swap arrangement is marked to market at the end of every period and losses are recognized in the Statement of Income.

The swap contracts outstanding balances as on March 31, 2026 and March 31, 2025 is as follows.

Particulars	Value of the outstanding INR term loan	Value of the outstanding USD principal	Mark to Market losses/ (gain)
Tranche 1	15	USD 0.2	3
Tranche 2	22	USD 0.3	5
<b>Total</b>	<b>37</b>	<b>USD 0.5</b>	<b>8</b>

Particulars	Value of the outstanding INR term loan	Value of the outstanding USD principal	Mark to Market losses/ (gain)
Tranche 1	44	USD 0.6	3
Tranche 2	66	USD 0.9	5
<b>Total</b>	<b>110</b>	<b>USD 1.5</b>	<b>8</b>

The maturity of these contracts extends for five years and six months. The table below summarizes the cash flows (principal) of these derivative financial instruments into relevant maturity groupings based on the remaining period as at the end of the year:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Payable (USD)	Receivable (INR)	Payable (USD)	Receivable (INR)
Less than 1 year	0.50	37	1.00	73
One to two years	-	-	0.50	37
Two to three years	-	-	-	-
Three to four years	-	-	-	-
Four to five years	-	-	-	-
More than five years	-	-	-	-
<b>Total cash flows</b>	<b>0.50</b>	<b>37</b>	<b>1.50</b>	<b>110</b>

The Group recognized a net loss on the cross-currency swaps of ₹ 8 [Previous year : ₹ 8] for the year ended March 31, 2026.

**(c) Interest Rate Swap:**

The Group has entered into Interest Rate Swaps in order to hedge the cash flows arising out of the Interest payments of the underlying ECB. The period of the swap contract is co-terminus with the period of the underlying ECB. As per the terms of the arrangement, the Company shall pay fixed rate of interest (8.9%) and receive variable rate of interest equal to SOFR + 2.5% on notional amount. The swap arrangement is marked to market at the end of every period and losses are recognized in the Statement of income.

The maturity of these contracts extends for five years and six months. The table below summarizes the cash flows (interest) of these derivative financial instruments into relevant maturity groupings based on the remaining period at the end of the year:

	As of			
	March 31, 2026		March 31, 2025	
	Receivable (US \$)	Payable (US \$)	Receivable (US \$)	Payable (US \$)
Less than 1 year*	0	1	0	7
One to two years*	-	-	0	1
Two to three years	-	-	-	-
Three to four years	-	-	-	-
Four to five years	-	-	-	-
More than five years	-	-	-	-
<b>Total cash flows</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>8</b>

\* Amount below rounding off norm adopted by the Group

Total notional amount outstanding as of March 31, 2026 is US\$ 0.50 (March 31, 2025: US\$ 1.50).

Net Loss on account of interest rate swaps amount to ₹ Nil for the year ended March 31, 2026 (March 31, 2025: ₹ Nil – Net loss).

#### Fair value measurements:

The details of assets and liabilities that are measured on fair value on recurring basis are given below:

	Fair value as of March 31, 2026			Fair value as of March 31, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets</b>						
Derivative financial assets – gain on outstanding forward/options contracts	-	-	-	-	-	-
Derivative financial assets - gain on outstanding cross currency swaps	-	-	11	-	-	19
Derivative financial assets - gain on outstanding interest rate swaps	-	-	-	-	-	-
<b>Liabilities</b>						
Derivative financial liabilities – loss on outstanding forward/options contracts	-	-	2	-	-	-
Derivative financial liabilities - loss on outstanding cross currency swaps	-	-	-	-	-	-
Derivative financial liabilities - loss on outstanding interest rate swaps	-	-	-	-	-	-

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

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

##### Recognized in profit or loss

	Year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
<b>Financial assets at amortized cost</b>			
Interest income on bank deposits	150	346	231
Interest income from other financial assets	24	44	30
Impairment loss of trade receivables	(164)	(195)	(265)
<b>Financial assets at fair value through profit or loss</b>			
Net change in fair value of derivative financial instruments gain/(loss)	9	8	8
<b>Financial liabilities at amortized cost</b>			
Interest expenses on lease obligations	(336)	(299)	(250)
Interest expenses on borrowings from banks, others and overdrafts	(3,386)	(2,282)	(1,738)

### 38. Financial Risk Management

Risk	Source of exposure	Measurement	Management
Market risk - foreign exchange	Recognized financial assets and liabilities denominated in foreign currencies.	Cash flow forecasting. Sensitivity analysis.	Foreign currency forwards and foreign currency options
Market risk - interest rate	Borrowings at variable rates.	Sensitivity analysis	Interest rate swaps. Asset-liability management.
Market risk - electricity prices	Highly probable forecast electricity purchases at spot price	Cash flow forecasting. Sensitivity analysis.	Fixed-price physical power purchase agreements
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, debt instruments and contract assets.	Aging analysis. Credit ratings. Probability of default analysis. Stress testing.	Diversification of bank deposits, credit limits, collateral, credit insurance and letters of credit. Investment guidelines for debt instruments.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts. Stress testing.	Availability of committed credit lines and borrowing facilities from multiple counterparties. Asset-liability management.

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

- Credit risk
- Liquidity risk
- Market risk

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

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

#### *Trade and other receivables*

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

#### *Cash and cash equivalents and other investments*

In the area of treasury operations, the Group is presently exposed to counter-party risks relating to short-term and medium term deposits placed with public-sector banks, and also to investments made in mutual funds.

The Chief Financial Officer is responsible for monitoring the counterparty credit risk and has been vested with the authority to seek Board's approval to hedge such risks in case of need.

## Exposure to credit risk

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as of March 31, 2026 and 2025 was as follows:

	March 31, 2026	March 31, 2025
Cash and bank balances	4,098	6,304
Restricted cash	974	454
Trade receivables	12,648	10,916
Other financial assets	3,027	2,712
Investments	1,405	1,229
	<u>22,152</u>	<u>21,615</u>

## Impairment for financial assets

Allowances for impairment for trade receivables have been provided based on Expected Credit Loss Method adopting a simplified approach provided in IFRS 9. The ageing analysis of trade receivables has been considered from the due date for the practical expedient. The ageing of trade receivables, net of allowances, is given below:

Period (in days)	March 31, 2026	March 31, 2025
Less than 365 days	12,100	10,588
More than 365 days	548	328
	<u>12,648</u>	<u>10,916</u>

See note 16 for the activity in the allowance for impairment of trade account receivables.

**Liquidity risks:** Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations. In addition, the Group has concluded arrangements with well-reputed Banks, and has unused lines of credit that could be drawn upon should there be a need. The Company is also in the process of negotiating additional facilities with Banks for funding its requirements.

The following are the contractual maturities of financial assets, including estimated interest receipts and excluding the impact of netting agreements:

As of March 31, 2026	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	>5 years
<b>Non-derivative financial assets</b>						
Cash and bank balances	4,098	4,098	4,098	-	-	-
Restricted Cash	974	974	974	-	-	-
Trade receivables	12,648	12,648	12,648	-	-	-
Other financial assets*	3,018	3,018	206	2,019	0	793
Investments	1,405	1,405	-	-	-	1,405
	<u>22,143</u>	<u>22,143</u>	<u>17,926</u>	<u>2,019</u>	<u>0</u>	<u>2,198</u>

\*0 represents value less than rounding off norm adopted by the Group.

As of March 31, 2025	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	>5 years
<b>Non-derivative financial assets</b>						
Cash and bank balances	6,304	6,304	6,304	-	-	-
Restricted Cash	454	454	454	-	-	-
Trade receivables	10,916	10,916	10,916	-	-	-
Other financial assets	2,693	2,693	298	1,652	-	743
Investments	1,229	1,229	-	-	-	1,229
	<u>21,596</u>	<u>21,596</u>	<u>17,972</u>	<u>1,652</u>	<u>-</u>	<u>1,972</u>

As of March 31, 2024	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	>5 years
<b>Non-derivative financial assets</b>						
Cash and bank balances	5,394	5,394	5,394	-	-	-
Restricted Cash	440	440	440	-	-	-
Trade receivables	10,155	10,155	10,155	-	-	-
Other financial assets	2,162	2,162	158	1,295	-	709
Investments	1,204	1,204	-	-	-	1,204
	<u>19,355</u>	<u>19,355</u>	<u>16,147</u>	<u>1,295</u>	<u>-</u>	<u>1,913</u>

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

As of March 31, 2026	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	>5 years
<b>Non-derivative financial liabilities</b>						
Bank overdrafts	-	-	-	-	-	-
6% Compulsorily Convertible Debentures	4,000	1,321	240	480	480	121
8.95% Non-Convertible Debentures	2,500	4,514	224	448	686	3,156
Lease liabilities	3,902	10,852	805	1,527	791	7,729
Borrowing from banks	25,094	30,924	11,963	8,006	4,886	6,069
Supplier finance arrangements	4,011	4,067	4,067	-	-	-
Borrowings from others	6,999	11,132	1,313	1,716	1,690	6,413
Other financial liabilities	3,387	3,387	3,351	-	-	36
Trade payables	7,455	7,455	7,455	-	-	-
	<b>57,348</b>	<b>73,652</b>	<b>29,418</b>	<b>12,177</b>	<b>8,533</b>	<b>23,524</b>

As of March 31, 2025	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	>5 years
<b>Non-derivative financial liabilities</b>						
Bank overdrafts	326	326	326	-	-	-
6% Compulsorily Convertible Debentures	6,260	8,439	600	1,200	1,200	5,439
8.95% Non-Convertible Debentures	2,500	5,746	224	448	448	4,626
Lease liabilities	3,810	10,541	689	1,336	1,043	7,473
Borrowing from banks	20,925	27,624	7,192	8,020	6,366	6,046
Supplier finance arrangements	4,106	4,159	4,159	-	-	-
Borrowings from others	5,689	8,295	1,653	2,169	1,048	3,425
Other financial liabilities	2,220	2,220	2,184	-	-	36
Trade payables	8,052	8,052	8,052	-	-	-
	<b>53,888</b>	<b>75,402</b>	<b>25,079</b>	<b>13,173</b>	<b>10,105</b>	<b>27,045</b>

As of March 31, 2024	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	>5 years
<b>Non-derivative financial liabilities</b>						
Bank overdrafts	487	531	531	-	-	-
6% Compulsorily Convertible Debentures	7,156	8,632	528	1,584	1,056	5,464
6% Non-Cumulative Compulsorily Convertible Preference Shares	500	120	30	30	30	30
Lease liabilities	3,043	8,589	588	774	531	6,696
Other liabilities	1,612	1,612	1,594	18	-	-
Borrowing from banks	18,794	22,515	5,557	7,922	5,536	3,500
Borrowings from others	3,564	4,221	1,295	2,186	740	-
Trade and other payables	11,952	11,952	11,952	-	-	-
	<b>47,108</b>	<b>58,172</b>	<b>22,075</b>	<b>12,514</b>	<b>7,893</b>	<b>15,690</b>

**Market risk:** Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Group is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

**Currency risk:** The Group's exposure in US \$, Euro and other foreign currency denominated transactions gives rise to Exchange Rate fluctuation risk. Group's policy in this regard incorporates:

- Forecasting inflows and outflows denominated in US\$ for a twelve-month period
- Estimating the net-exposure in foreign currency, in terms of timing and amount
- Determining the extent to which exposure should be protected through one or more risk-mitigating instruments to maintain the permissible limits of uncovered exposures.
- Carrying out a variance analysis between estimate and actual on an ongoing basis and taking stop-loss action when the adverse movements breach the 5% barrier of deviation, subject to review by Audit Committee.

The Group's exposure to foreign currency risk as of March 31, 2026 was as follows:

	<i>All amounts in respective currencies as mentioned (in millions)</i>							
	US \$	AUD	CHF	EUR	GBP	SGD	DHS	HK \$
Cash and cash equivalents	0	-	-	0	0	-	-	-
Trade receivables	24	-	-	0	0	-	-	-
Trade payables	(6)	(0)	-	(0)	(0)	(0)	(0)	(0)
Foreign currency loan	1	-	-	-	-	-	-	-
<b>Net balance sheet exposure</b>	<b>19</b>	<b>(0)</b>	<b>-</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>

Note: 0 represents value less than the rounding off norm adopted by the Group.

The Group's exposure to foreign currency risk as of March 31, 2025 was as follows:

	<i>All amounts in respective currencies as mentioned (in millions)</i>						
	US \$	AUD	CHF	EUR	GBP	DHS	HK \$
Cash and cash equivalents	0	-	-	-	0	-	-
Trade receivables	13	-	-	1	0	-	-
Trade payables	(15)	-	-	(0)	(0)	(0)	(0)
Foreign currency loan	(3)	-	-	-	-	-	-
<b>Net balance sheet exposure</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>

Note: 0 represents value less than the rounding off norm adopted by the Group.

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

*All amounts in respective currencies as mentioned (in millions)*

	US \$	AUD	CHF	EUR	GBP	DHS	HK \$	SG \$
Cash and cash equivalents	1	-	-	0	0	-	-	-
Trade receivables	21	-	-	1	0	-	-	-
Trade payables	(8)	-	-	(0)		(0)	-	-
Foreign currency loan	(2)	-	-	-		-	-	-
<b>Net balance sheet exposure</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>0</b>	<b>(0)</b>	<b>-</b>	<b>-</b>

Note: 0 represents value less than the rounding off norm adopted by the Group.

### Sensitivity analysis

A 10% strengthening of the rupee against the respective currencies as of March 31, 2026 and March 31, 2025 would have increased / (decreased) other comprehensive income and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2025.

	Other comprehensive income	Profit or (loss)
March 31, 2026	-	(167)
March 31, 2025	-	38

A 10% weakening of the rupee against the above currencies as of March 31, 2026 and 2025 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

*Interest Rate Risk:* Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the group.

### Profile

At the reporting date the interest rate profile of the Group's interest –bearing financial instruments were as follows:

	Carrying amount	
	March 31, 2026	March 31, 2025
<b>Fixed rate instruments</b>		
<i>Financial assets</i>		
- Fixed deposits with banks	4,493	3,413
- Investment in debt securities	447	404
<i>Financial liabilities</i>		
- Borrowings from banks	4,011	92
- Borrowings from others	9,499	14,448
<b>Variable rate instruments</b>		
<i>Financial liabilities</i>		
- Borrowings from banks	25,094	20,833
- Bank overdrafts	-	326

### Fair value sensitivity for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

### Cash flow sensitivity for variable rate instruments

An increase of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis has been performed on the same basis as 2025.

	Equity	Profit or (loss)
March 31, 2026	-	(40)
March 31, 2025	-	(6)

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 variables remain constant.

### 39. Issue of shares on a private placement basis to the existing promoter group

On August 4, 2010, the Board of Directors of the Group proposed the issuance, in a private placement, of up to an aggregate of 125,000,000 of the company's equity shares, par value ₹10 per share ("Equity shares"), for an aggregate purchase price of ₹ 4,000 million, to a group of investors affiliated with the Group's promoter, including entities affiliated with Mr. Raju Vegesna, the Group's Chairman and Managing Director and Mr. Ananda Raju Vegesna, then Executive Director and brother of Mr. Raju Vegesna (the "Offering"). The company's shareholders approved the terms of the Offering at the Company's Annual General Meeting held on September 27, 2010.

On October 22, 2010, the Company entered into a Subscription Agreement with Mr. Ananda Raju Vegesna, acting as representative of the acquirers in connection with the offering. Accordingly, the company issued 125,000,000 equity shares to Raju Vegesna Infotech and Industries Private Limited, a company affiliated with the promoter group on October 30, 2010. The above shares were subsequently transferred by Raju Vegesna Infotech & Industries Private Limited to Ramanand Core Investment Company Private Limited.

On August 14, 2011, the Company received a letter from RVIPL expressing its intention to transfer the above partly paid shares to its wholly owned subsidiary M/s Ramanand Core Investment Company Private limited ("RCICPL"). The Company, on August 26, 2011, registered such transfer of partly paid shares in the name of RCICPL.

On September 7, 2011, the parties entered into an amendment to the Subscription Agreement (the "Amendment") extending the validity of the agreement period to September 26, 2013. This Amendment provides the Board of Directors of the Company with additional time to call upon the purchasers to pay the balance money, in accordance with the terms of the Subscription Agreement.

During the year ended March 31, 2019, the Company has called-up and received a sum of ₹ 10 per share and hence the shares have become fully paid-up.

As of March 31, 2026, entities affiliated with our CEO, Chairman and Managing Director, Raju Vegesna, beneficially owned approximately 83.78% of our outstanding equity shares.

### 40. Corporate Social Responsibility (CSR) expenditure

Section 135 of the Companies Act, 2013, requires Group to spend towards Corporate Social Responsibility (CSR). The Group is expected to spend ₹ 29 towards CSR in compliance of this requirement. A sum of ₹ 28 has been spent during the current year towards CSR activities as per details given below.

Organization	Amount (₹)	
	March 31, 2026	March 31, 2025
Voluntary Health Services Hospital, Taramani	0	2
Raju Vegesna Foundation, India	25	20
Aerox Constructions	3	-
Sri Veda Paripalana Sabha	-	0
Shree Anand Charitable Trust, Mumbai	-	5
Pragna Bharathi	-	1
<b>Total</b>	<b>28</b>	<b>28</b>

Note: 0 represents amount below the rounding off norm adopted by the Group.

Note: The amount remaining unspent amounting to ₹ 1 is proposed to be utilized towards further development and maintenance of the park. Considering the nature of the project involving phased development and maintenance beyond the current financial year, it is proposed to classify the project as an "Ongoing CSR Project." Pursuant to Section 135(6) of the Companies Act, 2013 read with Rules 2(i) and 4(6) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, any unspent CSR amount relating to an ongoing project—being a multi-year project not exceeding three years (excluding the year of commencement)—shall be transferred within 30 days from the end of the financial year to a special bank account titled "Unspent Corporate Social Responsibility Account." Such amount must be utilized within the prescribed period, failing which it shall be transferred to a fund specified under Schedule VII of the Act, and the Board shall monitor the implementation of the project against the approved timelines and allocations.

The unspent CSR amount was transferred to a separate bank account in compliance with the Companies Act, 2013.

## 41. Capital Management

The Group's capital comprises equity share capital, share premium, and other equity attributable to equity holders. The primary objective of Group's capital management is to maximize shareholders value. The Group manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The Group does so by adjusting dividend paid to shareholders. The total equity as on March 31, 2026 is ₹ 18,933 (Previous Year: ₹ 20,129).

The Group monitors capital using gearing ratio, which is net debt divided by total capital. Net debt comprises of long-term and short-term borrowings and lease liabilities less cash and cash equivalents. 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, 2026	March 31, 2025
Debt		42,506	43,290
Less: cash and cash equivalents and fixed deposits lien marked towards term loans		(6,237)	(6,404)
<b>Net debt</b>	<b>A</b>	<b>36,269</b>	<b>36,886</b>
<b>Equity</b>	<b>B</b>	<b>18,933</b>	<b>20,129</b>
<b>Net debt to Equity ratio</b>	<b>A/B</b>	<b>191.57%</b>	<b>183.24%</b>

No changes were made in the objectives, policies or processes for managing capital of the Group during the current and previous year.

## 42. Management-defined Performance Measures (MPMs)

The Company uses Earnings before interest, taxes, depreciation and amortization excluding other operating income, forex gain/loss and profit/loss on sale of property, plant and equipment ("Adjusted EBITDA") as the management-defined performance measure in its public communications. This measure is not specified by IFRS Accounting Standards and therefore might not be comparable to apparently similar measures used by other entities.

Management believes adjusting profit/ (loss) for these items provides comprehensive information of the Company's operating performance.

### Reconciliation with Management-defined Performance Measures

Description	Year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
<b>Profit / (Loss) for the year</b>	<b>(1,366)</b>	<b>(785)</b>	<b>169</b>
<b>Add:</b>			
Depreciation and Amortization expense	7,274	5,633	4,773
<b>Net finance expense</b>	<b>3,949</b>	<b>2,294</b>	<b>1,816</b>
<b>Current tax</b>	<b>487</b>	<b>699</b>	<b>515</b>
Less:			
Deferred Tax	(62)	(200)	(332)
Other Income (including exchange gain/loss)	(411)	(79)	(185)
<b>Adjusted EBITDA</b>	<b>9,871</b>	<b>7,562</b>	<b>6,756</b>

**43. Events after the reporting period**

There are no significant events that have occurred after the reporting period till the date of these financial statements that requires adjustments/disclosure in these financial statements.

**Item 19. Exhibits**

<b>Number</b>	<b>Description</b>
<a href="#">1.1</a>	<a href="#">Amended Articles of Association of Sify Technologies Limited.</a>
<a href="#">1.2</a>	<a href="#">Memorandum of Association. (1)</a>
<a href="#">2.1</a>	<a href="#">Description of Securities registered under Section 12 of the Exchange Act</a>
<a href="#">2.2</a>	<a href="#">Amended and Restated Deposit Agreement dated as of July 23, 2025, among Sify Technologies Limited, JPMorgan Chase Bank N.A. and holders</a>
<a href="#">2.3</a>	<a href="#">Subscription Agreement dated November 10, 2005 between Sify Technologies Limited and Infinity Capital Ventures, LP. (5)</a>
<a href="#">2.4</a>	<a href="#">Standstill Agreement dated November 10, 2005 by and among Sify Technologies Limited, Infinity Capital Ventures, LP and Mr Raju Vegesna. (5)</a>
<a href="#">2.5</a>	<a href="#">Shareholders' Agreement dated December 20, 2005 between Sify Technologies Limited, Infinity Satcom Universal (P) Limited, and Sify Communications Limited (erstwhile subsidiary). (6)</a>
<a href="#">2.6</a>	<a href="#">Shareholders' Agreement dated November 25, 2005 between Sify Technologies Limited and Man Financial. (9)</a>
<a href="#">4.1</a>	<a href="#">Associate Stock Option Plan 2014 (11)</a>
<a href="#">4.2</a>	<a href="#">Form of Indemnification Agreement. (3)</a>
<a href="#">4.3</a>	<a href="#">License Agreement for Provision of Internet Service, including Internet Telephony dated as of April 1, 2002 by and between Sify Technologies Limited and the Government of India, Ministry of Communications and Information Technology, Department of Telecommunications, Telecom Commission. (12)</a>
<a href="#">4.4</a>	<a href="#">Bank Guarantee, dated as of November 4, 1998. (12)</a>
<a href="#">4.5</a>	<a href="#">Agreement, dated November 10, 2004, between Sify Technologies Limited, Satyam Computer Services Limited, SAIF Investment Company Limited and Venture Tech Solutions Pvt. Ltd. (4)</a>
<a href="#">4.6</a>	<a href="#">Subscription Agreement dated March 24, 2008 between Sify Technologies Limited and Infinity Satcom Universal Private Limited. (7)</a>
<a href="#">4.7</a>	<a href="#">Scheme of Amalgamation between Sify Communications Limited with Sify Technologies Limited and their respective shareholders (8)</a>
<a href="#">4.8</a>	<a href="#">Subscription agreement dated October 22, 2010 between Sify Technologies Limited and Mr. Ananda Raju Vegesna, Representative of the entities and affiliates in India of Mr. Raju Vegesna, CEO, Chairman and Managing Director of the Company. (9)</a>
<a href="#">4.9</a>	<a href="#">Amendment to subscription agreement dated September 7, 2011 between Sify Technologies Limited and Mr. Ananda Raju Vegesna, Representative of the entities and affiliates in India of Mr. Raju Vegesna, CEO, Chairman and Managing Director of the Company. (10)</a>
<a href="#">8.1</a>	<a href="#">List of Subsidiaries.</a>
<a href="#">11.1</a>	<a href="#">Code of Conduct and Conflict of Interest Policy (2)</a>
<a href="#">11.2</a>	<a href="#">Insider Trading Policy</a>
<a href="#">12.1</a>	<a href="#">Rule 13a-14(a) Certification of Chief Executive Officer</a>
<a href="#">12.2</a>	<a href="#">Rule 13a-14(a) Certification of Chief Financial Officer</a>
<a href="#">13.1</a>	<a href="#">Section 1350 Certification of Chief Executive Officer</a>
<a href="#">13.2</a>	<a href="#">Section 1350 Certification of Chief Financial Officer</a>
<a href="#">15.1</a>	<a href="#">Consent of Manohar Chowdhry &amp; Associates in respect of Sify Technologies Limited</a>
<a href="#">97.1</a>	<a href="#">Policy relating to recovery of erroneously awarded compensation</a>

- (1) Previously filed as an exhibit to the Report on Form 6-K filed with the Commission on October 17, 2007 and incorporated herein by reference.
- (2) Previously filed as an exhibit to the Annual Report on Form 20-F filed with the Commission on June 29, 2004 and incorporated herein by reference.
- (3) Previously filed as an exhibit to Amendment No. 2 to the Registration Statement on Form F-1 filed with the Commission on October 13, 1999 and incorporated herein by reference.
- (4) Previously filed as an exhibit to the Report on Form 6-K filed with the Commission on November 30, 2004 and incorporated herein by reference.
- (5) Previously filed as an exhibit to the Report on Form 6-K filed with the Commission on November 21, 2005 and incorporated herein by reference.
- (6) Previously filed as an exhibit to the Report on Form 6-K filed with the Commission on December 7, 2005 and incorporated herein by reference.
- (7) Previously filed as an exhibit to the Report on Form 6-K filed with the Commission on April 14, 2008 and incorporated herein by reference.
- (8) Previously filed as an exhibit to the Report on Form 6-K filed with the Commission on January 23, 2009 and incorporated herein by reference.
- (9) Previously filed as an exhibit to the Report on Form 6-K filed with the Commission on November 15, 2010 and incorporated herein by reference.
- (10) Previously filed as an exhibit to the Report on Form 6-K filed with the Commission on September 8, 2011 and incorporated herein by reference.
- (11) Previously filed as an exhibit to the Report on Form 20-F filed with the Commission on June 19, 2015 and incorporated herein by reference.
- (12) Previously filed as an exhibit to Amendment No. 1 to the Registration Statement on Form F-1 filed with the Commission on October 4, 1999 and incorporated herein by reference.

## SIGNATURES

The Company hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

### SIFY TECHNOLOGIES LIMITED

By: /s/ Raju Vegesna

Name: Raju Vegesna

Title: CEO, Chairman & Managing Director

By: /s/ M P Vijay Kumar

Name: M P Vijay Kumar

Title: Executive Director and Chief Financial Officer

Date: June 26, 2026

**UNDER THE COMPANIES ACT, 1956/2013<sup>5</sup>**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**Sify Technologies Limited <sup>1</sup>**

1. Subject to the regulations hereinafter provided, the regulations in Table A of the First Schedule to the Companies Act, 1956/Table F of Schedule I to the Companies Act, 2013, shall apply to this company.<sup>5</sup>

2. **Interpretation**

Unless the context otherwise requires, words and expressions contained in this Articles shall bear the same meaning as in the Companies Act, 1956/the Companies Act 2013.<sup>5</sup>

“**Act**” means “The Companies Act, 1956”/”The Companies Act, 2013”and any statutory modification or enactment thereof for the time being in force and reference to a section or provisions of the said Act or such modifications from time to time.<sup>5</sup>

“**ADR facility**” means any ADR facility with the Depository Bank established by the company pursuant to a Deposit Agreement as amended or replaced from time to time.

“**ADS**” means the American Depository Shares issued under the Deposit Agreement, each of which presently represents one equity share of the company.

“**Beneficial Owner**” shall mean beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.

“**The Company**” or “**this Company**” means **Sify Technologies Limited.**<sup>1</sup>

“**Deposit Agreement**” means the agreement dated October 18, 1999 between the company and the Depository Bank in relation to the establishment of the ADR facility and filed as an exhibit to the company’s registration statement, as amended from time to time.

“**Depository Bank**” means Citibank, N.A. or any other bank thereto as appointed under a Deposit Agreement.

“**Depositories Act, 1996**” shall include any statutory modification or re-enactment thereof.

“**Depository**” shall mean a Depository as defined in clause (e) of sub section (1) of Section 2 of the Depositories Act, 1996.

“**NASDAQ**” means NASDAQ Stock Market Inc., USA.

“**Requirements of Law**” means such requirements, directions, order, instructions, regulations and the like, as may be required by SEC and NASDAQ.

“**SEC**” means the United States Securities and Exchange Commission or any successor agency then having jurisdiction to administer the Securities Act of 1933 and Securities Exchange Act of 1934.

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1. The name of the Company has been changed from Sify Limited to Sify Technologies Limited vide Special Resolution passed by the shareholders of the Company at the Eleventh AGM held on 24<sup>th</sup> September 2007.

5. inserted pursuant to the special resolution passed by the members at the 29<sup>th</sup> Annual General Meeting of the Company held on August 14, 2025.

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### 3. BUY BACK OF COMPANY'S OWN SHARES

Subject to the provisions of Section 77A of the Companies Act, 1956, the company is empowered to buy its own shares.

### 4. SHARE CAPITAL

- a) The authorized share capital of the company shall be such amount and of such description as is stated for the time being or at any time in Clause V of the Company's Memorandum of Association and the company shall have power to increase or reduce the share capital by consolidation or subdivision from time to time in accordance with regulations of the company and the legislative provisions for the time being in force in this behalf and subject to the provisions of the act, the shares in the capital of the company for the time being whether original or increased or reduced may be divided into classes with any preferential, deferred, qualified, non-voting, or other rights, privileges, conditions or restrictions attached thereto whether in regard to dividend, voting, return of capital or otherwise.
- b) The Company shall, subject to the provisions of Section 86 of the Companies Act and subject to such rules and conditions as may be prescribed and such statutory modifications thereof, have the right to issue the shares with such Differential Rights as to Voting or Dividend or otherwise.
- c) Reduction of share capital etc.:<sup>2</sup>
  1. The Company may, by a Special Resolution, reduce in any manner, subject to any authorizations and approvals required under law:
    - a) its share capital;
    - b) any Capital Redemption Reserve; or
    - c) any Securities Premium Account
  2. Notwithstanding Clause (1) above, any amounts standing to the credit balance of the Securities Premium Account may also be utilized, other than for capitalisation, for any of the purposes in accordance with the provisions of law.
- d) A further issue of shares or debentures or any other securities may be made in any manner, whatsoever as the Board may determine including by way of rights issue, preferential offer or private placement or any other mode, subject to and in accordance with the provisions of Companies Act, 2013 (the Act) read with the Rules made there under.<sup>5</sup>

### 5. SHARES UNDER THE CONTROL OF THE DIRECTORS

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot or otherwise dispose of the same or any of them to such persons, in such proportion or at par (subject to compliance with the provisions of Section 78 of the Act) or at a discount (subject to compliance with the provisions of Section 79 of the Act) and at such times as they may think fit and proper, and with the sanction of the Company in General Meeting to give to any person the option to subscribe for and be allotted shares of any class of the Company either at par or at a premium or at a discount such option being exercisable at such times and for such consideration as the Board thinks fit.

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2. Amended vide Special Resolution passed at the Eleventh Annual General Meeting of the company held on 24<sup>th</sup> September 2007.

5. inserted pursuant to the special resolution passed by the members at the 29<sup>th</sup> Annual General Meeting of the Company held on August 14, 2025.

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**6. POWERS OF THE GENERAL MEETING TO OFFER SHARES TO SUCH PERSONS AS THE COMPANY MAY RESOLVE**

In addition to and without derogating from the powers for the purpose conferred on the Board under Article 5 above, the Company in General Meeting, by a resolution, may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) giving them the option to call or be allotted shares of any class of the Company either at par or at a premium or at a discount such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.<sup>5</sup>

**7. ISSUE OF DEBENTURES**

Subject to the applicable provisions of the Act and other applicable Law, any debentures (secured or unsecured, listed or unlisted), debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on that condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a special resolution. The Company shall have power to issue non-convertible debentures subject to the provisions of the Act.<sup>5</sup>

**8. DECLARATION BY PERSONS NOT HOLDING BENEFICIAL INTEREST IN ANY SHARES**

- a. Notwithstanding anything herein contained, a person whose name is at any time entered into the Register of Members of the Company as the holder of a share in the Company, but who does not hold beneficial interest in such share, shall within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in the manner provided in Section 187C of the Act.
- b. A person who holds a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the name and other particulars of the persons who hold the beneficial interest in such shares in the manner provided in Section 187C of the Act.
- c. Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, within the time prescribed from the date of such change make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in Section 187 C of the Act.
- d. Notwithstanding anything contained in Section 153 of the Act and this Article where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file, within the time prescribed from the date of receipt of the declaration, a return in the prescribed form with the Registrar with regard to such declaration.

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2. Amended vide Special Resolution passed at the Eleventh Annual General Meeting of the company held on 24<sup>th</sup> September 2007.

5. inserted pursuant to the special resolution passed by the members at the 29<sup>th</sup> Annual General Meeting of the Company held on August 14, 2025.

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## 9. SHARE CERTIFICATES

- a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue there of otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division provided the shares are not held in an electronic and fungible form under the provisions of the Depositories Act, 1996.
- b) Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be required to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be sufficient delivery to all such holder.
- c) The Share Certificates shall be issued only in pursuance of resolution passed by the Board or a Committee constituted by the Board and on surrender to the Company of the letter of allotment or the fractional coupons of requisite value, save in cases of issues against letters of acceptance or renunciation or in cases of issue of bonus shares, every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two directors under a duly registered power of attorney and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be person other than a Managing or Whole time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue. The Company shall comply with the provisions of Section 113 of the Act.
- d) Any two or more joint allottee of a share shall, for the purpose of this Article, be treated as a Single Member, and the certificate of any share which may be subject to joint ownership, may be delivered to any one of such joint owners on behalf of all of them.
- e) Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Directors shall be responsible for the safe custody of such machine equipment or other material used for the purpose.
- f) The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities of the Company including debentures (except where the Act otherwise requires).<sup>5</sup>

## 10. RENEWAL OF SHARE CERTIFICATES

- a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilized, unless the certificate, in lieu of which it is issued, is surrendered to the Company.
- b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of share certificate No. sub-divided / replaced / on consolidation of shares".

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5. amended pursuant to the special resolution passed by the members at the 29<sup>th</sup> Annual General Meeting of the Company held on August 14, 2025

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- c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on payment of such fee not exceeding Rupees two or as the Board may from time to time fix and such terms, if any, as to evidence, and indemnity and as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.
- d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is “Duplicate issued in lieu of share certificate No \_\_\_\_\_”. The word “Duplicate” shall be stamped or punched in bold letters across the face of the share certificate.
- e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued the number and date of issue of the share certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register of Members by suitable cross reference in the “Remarks” column.
- f) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- g) The Managing Director of the Company may for the time being or, if the Company has no Managing Director, every director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to sub-article (f).
- h) All books referred to in sub article (g) shall be preserved in good order permanently.
- i) Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or Requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.
- j) The provisions of the foregoing Articles relating to renewal of share certificates shall *mutatis mutandis* apply to any other securities of the Company including debentures (except where the Act otherwise requires).<sup>5</sup>

#### 11. DEMATERIALISATION OR RE-MATERIALISATION OF SHARES

- a) The Company shall be entitled to dematerialise its existing shares, debentures and other securities, rematerialize its shares, debentures and other securities held in the depositories and/or offer its fresh shares, debentures and other securities, in a dematerialised form pursuant to the Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
- b) Every person subscribing to securities offered by the company shall have the option to receive securities certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the company shall in the manner and within the time prescribed, issue to the beneficial owner and required Certificate of Securities.

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5. amended pursuant to the special resolution passed by the members at the 29<sup>th</sup> Annual General Meeting of the Company held on August 14, 2025.

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- c) If a person opts to hold his security with a depository, the company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of allottee as the beneficial owner of the security.
- d) All Securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153a, 187C and 372A of the Companies Act 1956 shall apply to a Depository in respect of the Securities held by it on behalf of the beneficial owner.

## **12. RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS**

- a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- b) Save as otherwise provided above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

## **13. SERVICE OF DOCUMENTS WHERE SECURITY IS HELD IN DEPOSITORY**

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or discs.

## **14. THE FIRST NAMED OF JOINT HOLDER (S) DEEMED SOLE HOLDER.**

If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidentals thereof according to the Company's regulations.

## **15. UNDERWRITING COMMISSION**

Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe for any shares or debentures in the Company.

## **16. BROKERAGE**

The Company may pay reasonable sum for brokerage on the issue and other matters concerning the shares or debentures in the Company.

## **17. TO ISSUE SHARES FOR CONSIDERATION OTHERWISE THAN FOR CASH**

Subject to the provisions of Section 75 of the Act, the Board may issue and allot shares in the capital of the Company as payment or part for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the company in or about the formation or promotion of the Company or the acquisition and / or conduct of its business and shares may so be allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.

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## LIEN ON SHARES

### 18. COMPANY'S LIEN ON SHARES

The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and so equitable interest in any shares shall be created. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien if any, on such shares.

### 19. ENFORCING LIEN BY SALE

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit and for that purpose may cause to be issued a duplicate certificate in respect of such share and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him on them in payment fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

### 20. APPLICATION OF PROCEEDS OF SALE

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residual if any shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

### 21. AUTHORITY TO TRANSFER

- a) To give effect to such sale, the Board of Directors may authorize any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.
- b) The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or any invalidity in the proceedings relating to the sale.

22. The provisions of the foregoing Articles relating to lien on shares shall *mutatis mutandis* apply to issue any other securities of the Company including debentures (except where the Act otherwise requires).<sup>5</sup>

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5. amended pursuant to the special resolution passed by the members at the 29<sup>th</sup> Annual General Meeting of the Company held on August 14, 2025.

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## CALLS ON SHARES

### 23. CALLS

The Board may, from time to time subject to the terms on which any shares may have been issued and subject to the conditions of allotment by a resolution passed at a meeting of the Board (and not by circular resolution) make such all as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and such member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board.

A call may be made payable by installments. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

### 24. WHEN CALL DEEMED TO HAVE BEEN MADE

A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on such date subsequent to the date of the resolution; and in the absence of such a provision a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls. A call may be revoked or postponed at the discretion of the Board.

### 25. LENGTH OF NOTICE OF CALL

Not less than twenty one days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call be paid.

### 26. SUM PAYABLE IN FIXED INSTALMENTS TO BE DEEMED CALLS

Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of those Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call only made and notified.

### 27. WHEN INTEREST ON CALL OR INSTALMENT PAYABLE

If any member fails to pay any calls due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest at the rate of 12% per annum on the same from the day appointed for the payment thereof to the time of actual payment or at such lower rate as may be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand to recover any interest from any such member. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.

### 28. PAYMENT OF CALLS IN ADVANCE

The Board of Directors, may if they deem fit, receive from any member willing to advance all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advanced may pay interest at such rate as the Board may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.

### 29. PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest nor may indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

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### 30. POSITION OF COMPANY IN CASE OF ACTION OR SUIT

On the trial or sharing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holders at or subsequently to the date at which the money is sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered that the resolution making the call is duly recorded in the minutes Book; and that notice of such call was duly given to the member or his representatives issued in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

31. The provisions of the foregoing Articles relating to calls on shares shall *mutatis mutandis* apply to issue any other securities of the Company including debentures (except where the Act otherwise requires).<sup>5</sup>

### FORFEITURE OF SHARES

#### 32. IF CALL OR INSTALMENT NOT PAID, NOTICE MAY BE GIVEN

If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such nonpayment.

#### 33. a) FORM OF NOTICE

The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice also state that in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

#### b) IF NOTICE NOT COMPLIED WITH SHARES MAY BE FORFEITED

If the requirement of any such notice as aforesaid shall not be complied with every or any share in respect of which such notice has been given may at any time thereafter before payment of all calls or installments interest and expenses due in respect thereof be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

#### c) NOTICE AFTER FORFEITURE

When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof shall forthwith be made in the Register of Member, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

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5. amended pursuant to the special resolution passed by the members at the 29<sup>th</sup> Annual General Meeting of the Company held on August 14, 2025.

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#### 34. EVIDENCE OF FORFEITURE

A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date situated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

#### 35. LIABILITY AFTER FORFEITURE

- a) Any member whose shares have been forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture, until payment at such rate as the Board may determine and the Board may enforce the payment thereof if it thinks fit.
- b) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in and all the claims and demands against the Company, in respect of the share and all other rights incidental to the share except only such of those rights as by these Articles are expressly waived.

#### 36. a) SALE, ALLOTMENT OR DISPOSAL AFTER FORFEITURE

- i) A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such a manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be called on such terms as the Board may think fit.
- ii) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and may cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

#### b) EFFECT OF FORFEITURE

Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member), stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

37. The provisions of the foregoing Articles relating to forfeiture of shares shall *mutatis mutandis* apply to issue any other securities of the Company including debentures (except where the Act otherwise requires).

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5. amended pursuant to the special resolution passed by the members at the 29<sup>th</sup> Annual General Meeting of the Company held on August 14, 2025.

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## **TRANSFER AND TRANSMISSION OF SHARES**

### **38. TRANSFER**

- a) The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act, 1956, and of any statutory modifications thereof for the time being shall be duly complied with in respect of all the transfers of shares and registration thereof.
- b) The instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares, must be delivered to the Company
- c) Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.
- d) Before the registration of a transfer, the certificate or certificates of the shares must be delivered to the Company.

### **39. TRANSFER IF SHARES HELD IN DEMAT FORM**

Notwithstanding anything contained in the Articles of Association, in the case of transfer of shares or other marketable securities where the company has not issued any certificates and where such transfers or securities are being held in electronic or fungible form, the provisions of the Depositories Act, 1996 shall apply.

### **40. BOARD'S RIGHT TO REFUSE TRANSFER**

Subject to the provisions of Section 111 of the Act, the Board may decline to register or acknowledge any transfer of shares, whether fully paid or not (notwithstanding that the proposed transferee be already a member) but in such cases it shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer provided that the registration of a transfer shall not be refused on the ground that the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.

### **41. RIGHT TO SHARES ON DEATH OF A MEMBER BY TRANSMISSION OF SHARES**

- a) The Executors or administrators or holders of Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or Letters of Administration of Succession Certificate, as the case may be, from a duly constituted Court in the Union of India; provided that in any case may be from a duly constituted Court in the Union of India, provided that in any case where the Board in its absolute discretion may think necessary and under Article 39 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.
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- b) A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividend or money as hereinafter provided, be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the share.
- c) In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

**42. NO TRANSFER TO INSOLVENT ETC.**

No share shall in any circumstances be transferred to any insolvent or person of unsound mind.

**43. COMPANY'S RIGHT TO REGISTER TRANSFER BY APPARENT LEGAL OWNER**

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable rights, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or given effect to any notice which may be given to it of any equitable right, title or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

**44. REGISTER OF TRANSFERS**

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share held in physical form.

45. The provisions of the foregoing Articles relating to transfer and transmission of shares shall *mutatis mutandis* apply to any other securities of the Company including debentures (except where the Act otherwise requires).<sup>5</sup>

**SHARE WARRANTS**

**46. ISSUE OF SHARE WARRANTS**

The Company may issue share warrants subject to and in accordance with, the provisions of Sections 114 and 115 of the Act.

**GENERAL MEETINGS AND PROCEEDINGS**

**47. ANNUAL GENERAL MEETING**

Annual General Meetings of the company may be convened subject to the provisions of Section 166 and 210 of the Act by giving not less than 21 days notice in writing.

**48. EXTRAORDINARY GENERAL MEETING**

The Board may, call an Extraordinary General Meeting subject to the provisions of Section 169 of the Act by giving not less than 21 days notice in writing.

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5. amended pursuant to the special resolution passed by the members at the 29<sup>th</sup> Annual General Meeting of the Company held on August 14, 2025.

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**49. ACCIDENTAL OMISSION NOT TO INVALIDATE MEETING**

The accidental omission to give any such notice as aforesaid to any of the members or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.

**50. CHAIRMAN OF GENERAL MEETINGS**

- a) The Chairman (if any) of the Board of Directors shall be Chairman at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board of Directors, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or is unable or unwilling to take the Chair, then the members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the members present shall elect one of them to be Chairman.
- b) No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant

**51. CASTING VOTE**

In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.

**52. MINUTES OF PROCEEDINGS OF GENERAL MEETINGS**

In terms of Section 193 of the Act, the Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in books kept for that purpose with their pages consecutively numbered.

**DIRECTORS**

- 53. a) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three nor more than twelve.
- b) Not less than two third of the total number of Directors shall retire by rotation at every Annual General Meeting.
- c) The Board shall comprise of a majority of independent non-executive Directors as may be required under the Rules of NASDAQ, SEC and also as may be required under the applicable Indian laws including SEBI rules and any amendments from time to time.

**54. ALTERNATE DIRECTOR**

In terms of Section 313 of the Act, the Board is empowered to appoint Alternate Director(s).

**55. ADDITIONAL DIRECTOR**

Subject to the provisions of Sections 260 and 264 of the Act, the Board shall from time to time appoint any other qualified person to be an Additional Director, but the total number of Directors shall not at any time exceed the maximum fixed under Article 48. Any such additional directors shall hold office only upto the date of the next Annual General Meeting of the company and shall be eligible for reelection at such meeting.

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## 56. CASUAL VACANCY

Subject to the provisions of Sections 262, 264 and 284(6) of the Act, the Board shall have power from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated by him.

## 57. QUALIFICATION SHARES

A Director shall not be required to hold any qualification shares.

## 58. REMUNERATION OF DIRECTORS

1. Subject to the provisions of the Act, a Managing Director or a Director, who is in the whole-time employment of the Company may be paid remuneration either by way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
2. Subject to the provisions of the Act, a Director who is neither in the whole-time employment nor a Managing Director may be paid remuneration or commission:
  - a) by way of monthly, quarterly or annual payments with the approval of the Central Government; and / or
  - b) by way of commission if the Company by a special resolution authorizes such payment.

## 59. SITTING FEES

The fees payable to the Directors of the company in attending the meetings of the Board or the Committees of the Board, shall be determined by the Board of Directors from time to time, provided that the sitting fees payable to the Directors as aforesaid shall be within the maximum limits prescribed under the provisions of Section 310 of the Act.

60. If any Director be called upon to perform extra services or make any special exertions or efforts (which expression shall include work done by a Director as a Member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts, either by a fixed sum or percentage of profits or otherwise as may be determined by the Board, and such remuneration may be either in addition to or in substitution for his remuneration above provided.

The Board may appoint any person as a director nominated by any financial institution, bank corporation or any other statutory body, or if the Company has entered into any obligation with any such institution, bank, corporation or body in relation to any financial assistance by way of loan advanced to the Company or guarantee or given of any loan borrowed or liability incurred by the Company or so long as the Company is indebted. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

## 61. MANAGING DIRECTOR

- a) The Company shall have a Managing Director or Chief Executive Officer who can also be the Chairperson of the Company at the same time. <sup>4</sup>

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4. Amended vide Special Resolution passed at the Eighteenth Annual General Meeting of the company held on 28<sup>th</sup> July 2014

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- b) Any Managing Director so appointed shall not be required to hold any qualification shares and shall not be liable to retire by rotation at any General Meeting of the Company.
62. Notwithstanding anything to the contrary contained herein in these Articles, so long as any monies remain owing by the Company to any lenders, bank, financial institution, debenture trustee(s) (acting for the benefit of the debenture holders holding debentures/ bonds issued by the Company) or other body corporate from which the Company has borrowed funds, then till the time such monies remains due by the Company, such lender, bank, financial institution, debenture trustee or other body corporate, shall have a right to appoint from time to time, in accordance with the terms of their respective financing documents or on occurrence of any event specified under the applicable laws / rules, regulations, circulars, as amended from time to time, as the case may be, any person or persons as nominee director and/ or an observer on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places(s).<sup>5</sup>

## **PROCEEDINGS OF THE BOARD OF DIRECTORS**

### **63. MEETINGS OF DIRECTORS**

- a) The meeting of the Board of Directors may be convened from time to time, and shall so meet at least once in every three months and, at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
- b) The company shall have the power to hold the meeting of the Board of Directors or any of its Committee(s) through the means of video or teleconferencing and also permit Directors to participate in the Board / Committees through the means of video or teleconferencing subject to the applicable provisions, if any, of the Act and / or other regulatory provisions thereof.

### **64. NOTICE OF MEETINGS**

Seven days notice of every meeting of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India, to every other Director. However, a Board meeting may be called at a shorter notice with the written consent of all the Directors.

### **65. QUORUM**

The quorum for a meeting of the Board shall be one-third of its total strength as set out in Section 287 of the Act.

### **66. WHEN MEETING TO BE CONVENED**

A Board meeting may be called by the Chairman of the Board of Directors or Managing Director or any two other Directors giving notice in writing to the Company Secretary, specifying the date, time and agenda for such meeting.

### **67. CHAIRMAN**

The Directors may from time to time elect one of the Directors as the Chairman of the Board. If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may chose one of their members to be the Chairman of the Meeting.

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5. amended pursuant to the special resolution passed by the members at the 29<sup>th</sup> Annual General Meeting of the Company held on August 14, 2025

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#### **68. CASTING VOTE**

Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman shall have a second or a casting vote.

#### **69. POWERS OF THE BOARD OF DIRECTORS**

The Board of Directors shall have all the power as is vested on them under the provisions of the Act and subject to the provisions of the Act the Board may delegate such powers to the Managing Director or other directors with further powers to authorize such delegate to further delegate to others the powers to be exercised on behalf of the Company

#### **70. BOARD MAY CONSTITUTE COMMITTEES**

Subject to the provisions of the Act and / or the requirements of law, the Board may delegate any of its powers to the Committees consisting of such member or members as it think fit. The Board may from to time revoke and discharge any of such Committees either wholly or in part.

#### **71. RESOLUTION BY CIRCULATION**

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other directors or members of the Committee, at their usual address in India and has been approved by such of them, as are entitled to vote on the resolution. Resolutions approved by circulation shall be recorded in the next Board Meeting.

#### **72. MINUTES OF THE MEETINGS OF THE PROCEEDINGS OF THE BOARD**

The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.

#### **73. SEAL**

- a) The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the seal for the time being, and the seal shall never be used except by the authority of the Board or a Committee of the Board previously given.
- b) The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.
- c) Every Deed or other instrument, to which the Seal of the Company is required to be affixed shall, unless the same is executed by a duly constituted attorney be signed by any two Directors or a Director and Secretary or such other persons appointed by the Board for the purpose. Provided that in respect of a Share Certificate the seal shall be affixed in accordance with Article 9(c).

#### **74. INDEMNITY AND RESPONSIBILITY**

Every Director, Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act, in which relief is granted to him by the Court.

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## **SECRECY CLAUSE**

75. Every Director, Managing Agent, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with its customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
76. No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interest of the Company to disclose.

## **LICENCE COMPLIANCE**

77. The company shall comply with the rules and regulations of the National Long Distance (NLD) and International Long Distance (ILD) Licence Agreements with the Department of Telecommunications for Telecom services and any subsequent amendments made thereon, for carrying on the IP-VPN business. <sup>3</sup>

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3. Amended vide Special Resolution passed at the Extraordinary General Meeting of the company held on 17<sup>th</sup> March 2008

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Sl. No.	Name, address, description and occupation of subscribers and signatures	Number of Equity Shares taken by each subscriber	Name, address, description, occupation and signature of witness
1.	B.Ramalinga Raju, Plot No.1242, Road No.62, Jubilee Hills, Hyderabad 500 033. OCCUPATION: BUSINESS Sd/-	100 (One hundred only)	A.VENKATARAMAPPA, B.Com., CA Final 109 Venkata Ramana Towers, Opp. Skyline Theatre, Baheerbagh, Hyderabad 500 029.  Sd/-
2.	B.Rama Raju H.No.1-10-72/A Chikoti Gardens, Begumpet, Hyderabad 500 016 OCCUPATION: BUSINESS Sd/-	100 (One hundred only)	
3.	Satyam Computer Services Ltd. 1 Floor May Fair Buildings, S.P. Road, Secunderabad Total Shares Taken.	30 (Thirty only) <hr/> 230 (Two Hundred Thirty only)	

Date: 4.11.1995  
Place: Hyderabad

## DESCRIPTION OF SECURITIES

## REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT

As of March 31, 2026, Sify Technologies Limited (“we,” “us,” and “our”) had the following series of securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading symbol	Name of each Exchange on which registered
American Depositary Shares, each representing six Equity Shares	SIFY	NASDAQ Capital Market

Our American Depositary Shares (or “ADSs”), as evidenced by American Depositary Receipts (or “ADRs”), are traded in the United States on the Nasdaq Capital Market (“NASDAQ”) under the ticker symbol “SIFY.” Each ADS represents six Equity Shares.

The following summary is subject to and qualified in its entirety by our Memorandum and Articles of Association, as amended, and by Indian law, particularly the Indian Companies Act, 2013, as amended (the “Companies Act”).

This is not a summary of all the significant provisions of our Memorandum and Articles of Association, or of Indian law and does not purport to be complete. We advise that you read our Articles of Association and Memorandum of Association in their entirety as they contain important additional information that is not included herein.

**Item 9.A.3** - If the Company’s shareholders have pre-emptive purchase rights and where the exercise of the right of pre-emption of shareholders is restricted or withdrawn, the Company shall indicate the basis for the issue price if the issue is for cash, together with the reasons for such restriction or withdrawal and the beneficiaries of such restriction or withdrawal if intended to benefit specific persons.

**Answer:**

Section 62 of the Companies Act, 2013, contains the provisions on further issues of Capital and enacts the principle of pre-emptive rights of shareholders of a Company to subscribe to new shares of the Company. However, such rights can be waived and modified as per the provisions of the Companies Act.

U.S. investors in our ADSs may be unable to exercise pre-emptive rights for the shares underlying our ADSs unless a registration statement under the Securities Act of 1933 is effective with respect to the rights or an exemption from the registration requirements of the Securities Act is available. Our decision to file a registration statement will depend on the costs and potential liabilities associated with a registration statement as well as the perceived benefits of enabling U.S. investors in our ADSs to exercise their pre-emptive rights and any other factors we consider appropriate at the time. We might choose not to file a registration statement under these circumstances. If we issue any of these securities in the future, such securities may be issued to the Depositary, which may sell them in the securities markets in India for the benefit of the investors in our ADSs. There can be no assurances as to the value, if any, the Depositary would receive upon the sale of these securities. If the Depositary determines that the rights could not be sold, the Depositary might allow such rights to lapse. To the extent that U.S. investors in our ADSs are unable to exercise pre-emptive rights, their proportional interests in us would be reduced.

**Item 9.A.5. Type and class of securities**

5 & 5a. State the type and class of the securities being offered or listed and furnish the following information:

Indicate whether the shares are registered shares or bearer shares and provide the number of shares to be issued and to be made available to the market for each kind of share. The nominal par or equivalent value should be given on a per share basis and, where applicable, a statement of the minimum offer price. Describe the coupons attached, if applicable

## SHARE CAPITAL

Our Authorized Share Capital is ₹10,000,000,000 (Rupees One Thousand Crores only) divided into 750,000,000 (Seventy-Five Crores only) Equity Shares, having a par value of ₹10/- per share and 250,000,000 (Twenty-Five Crores only) Preference Shares, having a par value of ₹10/- per share.

As of March 31, 2026, 434,607,689 Equity Shares, of par value ₹ 10 per share were issued, outstanding and fully paid.

As of March 31, 2026, 104,808,339 of our issued and outstanding Equity Shares were represented by ADSs. Our Equity Shares and their holders are registered in a registry of members. All of our shares have equal voting rights and carry equal entitlements to dividends and bonus issue of shares, if any.

Under certain circumstances, the Reserve Bank of India must approve the sale of Equity Shares underlying ADSs by a non-resident of India to a resident of India. The Reserve Bank of India has given general permission to effect sales of existing shares or convertible debentures of an Indian Company by a resident to a non-resident, subject to certain conditions, including the price at which the shares must be sold. Additionally, except under certain limited circumstances, if an investor seeks to convert the Indian rupee proceeds from a sale of Equity Shares in India into foreign currency and then repatriate that foreign currency from India, he or she will have to obtain an additional approval from the Reserve Bank of India for each such transaction. Required approval from the Reserve Bank of India or any other Government agency may not be obtained on terms favorable to a non-resident investor or at all.

Investors who exchange our ADSs for our underlying Equity Shares may be subject to the provisions of the Companies Act and to the disclosure obligations that may be necessary pursuant to the Deposit Agreement with our Depository. The Companies Act requires that, where the registered owner of shares does not hold the beneficial interest in such shares, both the registered owner and the beneficial owner of such Equity Shares are required to disclose to the Company the nature of their interest, particulars of the registered owner and certain other details.

### *Restrictions on transfer*

Foreign investment in Indian securities, whether in the form of foreign direct investment or in the form of portfolio investment, is governed by the Foreign Exchange Management Act, 1999, as amended ("FEMA"), and the rules, regulations and notifications issued thereunder. Set forth below is a summary of the restrictions on transfers applicable to both foreign direct investments and portfolio investments, including the requirements under Indian law applicable to the issuance and transfer of ADSs.

### **Ownership restrictions**

In terms of Master Circular on Foreign Investment in India, most manufacturing / service sectors do not require prior approval of the DIPP / and/ or any of the ministry/ department of the Government of India, as the case may be, or the RBI, if the activity of the investee-Company fulfill the conditions prescribed for Automatic Route. These conditions include certain eligibility norms, pricing requirements, subscription in foreign exchange, compliance with the Takeover Code (as described below), and ownership restrictions based on the nature of the foreign investor (as described below). Purchases by foreign investors of ADSs are treated as direct foreign investment in the equity issued by Indian companies for such offerings. Foreign investment up to 100 % of our share capital is currently permitted in the telecom industry.

The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (the "NDI Rules") have brought about a substantial change in the Schedule II to the NDI Rules, stating that effective as of April 1, 2020, the aggregate limit would be the sectoral cap applicable to such Indian Company. An Indian Company may, with the approval by Resolution of its Board of Directors and by Special Resolution of its members: (i) decrease the aggregate limit before March 31, 2020 to a lower threshold of 24%, 49% or 74%, as it deems fit, or (ii) increase the aggregate limit to 49% or 74%, or the sectoral cap or statutory ceiling, as it deems fit. However, once the aggregate limit is increased, the limit cannot be reduced later.

If a FPI's investments exceed the prescribed limits, the FPI will have the option to divest its excess holdings within 5 trading days, failing which the entire investment in the Company will be considered a Foreign Direct Investment ("FDI"). If the investment falls under a category where FDI is prohibited, the aggregate FPI limit is capped at 24%.

No single FPI may hold more than 10.0% of the shares of an Indian Company and no single NRI may hold more than 5.0% of the shares of an Indian Company. If multiple entities have at least 50% overlap in their ownership (direct or ultimate beneficial owners), then such entities shall be treated as part of the same group and the above percentage of FPI investment limit shall apply to the entire group as if they were a single FPI.

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## Subsequent transfer of shares

A person resident outside India holding the Shares or Debentures of an Indian Company may transfer the equity instruments held by him or her, in compliance with the conditions specified in the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("NDI Rules"), as follows:

- (i) A person resident outside India who is not a NRI, an overseas citizen of India or a former Overseas Corporate Body ("OCB"), may transfer by way of sale or gift, the equity instruments held by him to any person resident outside India;
- (ii) A NRI may transfer by way of sale or gift, the equity instruments held by that person to another NRI or to any person resident outside India; or
- (iii) A person resident outside India holding the equity instruments of an Indian Company in accordance with the NDI Rules, (a) may transfer such equity instrument to a person resident in India by way of sale or gift; or (b) may sell such equity instrument on a recognized Stock Exchange in India through a registered broker.

In enacting the NDI Rules, the Central Government superseded the Foreign Exchange Management (Transfer or Issue of Securities by a person Resident Outside India) Regulations, 2017.

The NDI Rules give the readers a consolidated view of the transfer or issue of securities by a person resident outside India and also clarifies several aspects of FDI. These regulations aim towards further simplification and provide greater clarity on differentiation between FDI and FPI.

## ADS guidelines

Shares of Indian companies represented by ADSs may be approved for issuance to foreign investors by the Government of India under the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 (the "1993 Scheme"), as modified from time to time, promulgated by the Government of India. The 1993 Scheme is in addition but without prejudice to the other policies or facilities, as described below, relating to investments in Indian companies by foreign investors. The issuance of ADSs pursuant to the 1993 Scheme also affords to holders of the ADSs the benefits of Section 115AC of the Income Tax Act, 1961 for purpose of the application of Indian tax laws. In March 2001, the RBI issued a notification permitting, subject to certain conditions, two-way fungibility of ADSs. This notification provides that ADSs converted into Indian shares can be converted back into ADSs, subject to compliance with certain requirements and the limits of sectorial caps.

The Ministry of Finance, Government of India, enacted The Depository Receipts Scheme, 2014 (the "Depository Receipts Scheme") effective as of December 15, 2014. In order to facilitate the issuance of depository receipts by Indian companies outside India, the Depository Receipts Scheme repeals the former provisions dealing with depository receipts in the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993. The Depository Receipts Scheme now governs the issue or transfer of permissible securities to a foreign depository by eligible persons and defines the rights and duties of a foreign depository and obligations of a domestic custodian.

There are certain relaxations provided under the Depository Receipts Scheme subject to prior approval of the Ministry of Finance. For example, a registered broker is permitted to purchase shares of an Indian Company on behalf of a person resident outside of India for the purpose of converting those shares into ADSs. However, such conversion is subject to compliance with the provisions of the Depository Receipts Scheme and the periodic guidelines issued by the regulatory authorities. Therefore, depository receipts converted into Indian shares may be converted back into depository receipts, subject to certain limits of sectorial caps.

Under the Depository Receipts Scheme, a foreign depository may take instructions from depository receipts holders to exercise the voting rights with respect to the underlying equity securities. Additionally, a domestic custodian has been defined to include a custodian of securities, an Indian depository, a depository participant or a bank having permission from SEBI to provide services as custodian. Further, the Depository Receipts Scheme provides that the aggregate of permissible securities which may be issued or transferred to foreign depositories for issue of depository receipts, along with permissible securities already held by persons resident outside India, shall not exceed the limit on foreign holding of such permissible securities under the Foreign Exchange Management Act, 1999.

The Department of Economic Affairs, Ministry of Finance made amendments to certain provisions of the Securities Contracts (Regulation) Rules, 1957 pursuant to Securities Contracts (Regulation) (Amendment) Rules, 2015, on February 25, 2015. As per the amendment, the "public shareholding" for our Equity Shares held by the public includes shares underlying depository receipts if the holder of such depository receipts has the right to issue voting instruction and such depository receipts are listed on an international stock exchange in accordance with the Depository Receipts Scheme.

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## **Fungibility of ADSs**

A registered broker in India can purchase shares of an Indian Company that issued ADSs, on behalf of a person residing outside India, for the purposes of converting the shares into ADSs.

The Depository Receipts Scheme states that the aggregate of permissible securities which may be issued or transferred to foreign depositories for issue of depository receipts, along with permissible securities already held by persons resident outside India, shall not exceed the limit on foreign holding of such permissible securities under the Foreign Exchange Management Act, 1999.

A limited two-way fungibility scheme has been put in place by the Government of India for ADRs / GDRs. Under this scheme, a stock broker in India, registered with SEBI, can purchase shares of an Indian Company from the market for conversion into ADRs/GDRs based on instructions received from overseas investors. Re-issuance of ADRs / GDRs would be permitted to the extent of ADRs / GDRs which have been redeemed into underlying shares and sold in the Indian market.

Currently, there is no public trading market for our equity shares in India or elsewhere nor can we assure you that we will take steps to develop one. Our equity securities are only traded on NASDAQ through the ADSs as described in this report. Under prior Indian laws and regulations, our Depository could not accept deposits of outstanding equity shares and issue ADRs evidencing ADSs representing such equity shares without prior approval of the Government of India. The Reserve Bank of India has announced fungibility regulations permitting, under limited circumstances, the conversion of ADSs to equity shares and the reconversion of equity shares to ADSs provided that the actual number of ADSs outstanding after such reconversion is not greater than the original number of ADSs outstanding. If you elect to surrender your ADSs and receive equity shares, you will not be able to trade those equity shares on any securities market and, under present law, likely will not be permitted to reconvert those equity shares to ADSs.

If in the future a market for our equity shares is established in India or another market outside of the United States, those shares may trade at a discount or premium to the ADSs. Under current Indian regulations and practice, the approval of the Reserve Bank of India is not required for the sale of equity shares underlying ADSs by a non-resident Indian to a resident Indian as well as for renunciation of rights to a resident of India, unless the sale of equity shares underlying the ADSs is through a recognized stock exchange or in connection with the offer made under the regulations regarding takeovers. The shareholders who intend transferring their equity shares shall comply with the procedural requirements set out under the head 'subsequent transfers' above.

## **Transfer of ADSs**

A person resident outside India may transfer the ADSs held in Indian companies to another person resident outside India without any permission. An ADS holder is permitted to surrender the ADSs held by him in an Indian Company and to receive the underlying equity shares under the terms of the Deposit Agreement. Under Indian regulations, the re-deposit of these equity shares with the Depository for ADSs may not be permitted.

Shareholders resident outside India who intend to sell or otherwise transfer Equity Shares within India should seek the advice of Indian counsel to understand the requirements applicable at that time.

**Question: 9.A.6.** If the rights evidenced by the securities being offered or listed are or may be materially limited or qualified by the rights evidenced by any other class of securities or by the provisions of any contract or other documents, include information regarding such limitation or qualification and its effect on the rights evidenced by the securities to be listed or offered.

Not applicable.

## **Question: 9.A.7. Securities other than Equity Shares**

Not applicable. Since the Company does not have any other type of Shares except Equity or Common Share. The Company has Authorized Share Capital comprising 250,000,000 (Twenty Five Crores only) Preference Shares but which has not been issued.

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## **Item 10.B. Memorandum and Articles of Association**

### ***10. B.3. Shareholder rights***

#### *(a) Dividend rights.*

Our Board of Directors recommends the payment of dividend which is then declared by our shareholders in a General Meeting. However, the Board is not obliged to recommend a dividend. Similarly, under our Articles of Association and the Companies Act, our shareholders may, at the Annual General Meeting, declare a dividend in an amount less than that recommended by the Board of Directors, but they cannot increase the amount of the dividend. The dividend declared by the shareholders, if any, is required to be distributed and paid to shareholders in proportion to the paid-up value of their shares within 30 days of the declaration by the shareholders at the Annual General Meeting. Pursuant to the Companies Act, our Board of Directors has discretion to declare and pay interim dividends without shareholder approval.

Under the Companies Act and rules made thereunder, dividends may be paid out of profits of a Company in that financial year in which the dividend is declared after providing for depreciation or out of the undistributed profits of previous fiscal years after providing for depreciation. Before declaring any dividend in any financial year, Company may transfer a percentage of its profits which it considers appropriate to its reserves. The Companies Act further provides that in case of an inadequacy or absence of profits in any year, a maximum of 10% of paid-up capital can be declared as dividend, subject to other provisions contained in the Companies (Declaration and Payment of Dividend) Rules, 2014.

The Companies Act provides that any dividends that remain unpaid or unclaimed after a period of 30 days from the date of their declaration are to be transferred to a special bank account opened by the Company at an approved bank. We transfer any dividends that remain unpaid or unclaimed within 7 days from the date of expiration of such 30 days period to such account. If any amount in this account has not been claimed by the eligible shareholders within seven years from the date of the transfer, we transfer the unclaimed dividends to an Investor Education and Protection Fund established by the Government of India under the provisions of the Companies Act, 2013.

#### *(b) Voting rights.*

All of our Equity Shares have the same voting rights. For all matters submitted to vote in a shareholders meeting of the Company, every holder of an equity share, as reflected in the records of the Company as on the record date set for the shareholders meeting, shall have one vote in respect of each share held. There are no cumulative voting rights. If you are an ADR holder and the Depositary asks you to provide it with voting instructions, you may instruct the Depositary how to exercise the voting rights for the shares which underlie your ADSs. After receiving voting materials from us, the Depositary will notify the ADR holders of any shareholder meeting or solicitation of consents or proxies. This notice will describe how you may instruct the Depositary to exercise the voting rights for the shares which underlie your ADSs. For instructions to be valid, the Depositary must receive them on or before the date specified. The Depositary will try, as far as is practical, subject to the provisions of and governing the underlying shares or other deposited securities, to vote or to have its agents vote the shares or other deposited securities as you instruct. The Depositary will only vote or attempt to vote as you instruct. The Depositary will not itself exercise any voting discretion. Neither the Depositary nor its agents are responsible for any failure to carry out any voting instructions, for the manner in which any vote is cast or for the effect of any vote.

#### *(c) Rights to share in our profits.*

See “Dividend Rights” in subsection (a) above.

#### *(d) Rights to share in any surplus in the event of our liquidation.*

As per the Companies Act and the Insolvency and Bankruptcy Code, 2016, certain payments have preference over payments to be made to equity shareholders. These payments having preference include payments to be made by us to our employees, taxes, payments to secured and unsecured lenders and payments to holders of any shares entitled by their terms to preferential repayment over the Equity Shares.

In the event of our Company’s liquidation, all preferential amounts, if any, shall be discharged by us. Our remaining assets shall be distributed to the holders of Equity Shares based upon the proportion of the number of shares held to the total Equity Shares outstanding as on that date.

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*(e) Redemption provisions.*

Not applicable.

*(f) Sinking fund provisions.*

Not applicable.

*(g) Liability to further capital calls by us.*

Although our Memorandum and Articles of Association do provide for certain capital call obligations in respect of any monies unpaid on the shares of a shareholder, all of our issued and outstanding shares have been fully paid in. Accordingly, our shareholders are not obliged to make further contributions with respect to their shares.

*(h) Any provision discriminating against any existing or prospective holder of such securities as a result of such shareholder owning a substantial number of shares.*

No such provisions are applicable under our Memorandum and Articles of Association. However, for a summary of the restrictions under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the “2011 Takeover Code”), see item 9.A.5. “Type and class of securities” set forth above.

#### ***10.B.4. Changes to shareholder rights***

Currently, only one class of Equity Shares and preference shares are authorized and outstanding under our Memorandum and Articles of Association. However, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of such proportion of the issued shares of that class as maybe specified in the Companies Act or rules made thereunder, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. If a capital increase is approved, then our shareholders would generally have certain pre-emptive rights as described above.

#### ***10.B.6. Limitations on rights to own securities***

No limitations on the rights to own securities are applicable under our Memorandum and Articles of Association. However, for a summary of the restrictions on transfers applicable to both foreign direct investments and portfolio investments, including the requirements under Indian law applicable to the issuance and transfer of ADSs, see item 9.A.5. “Type and class of securities” set forth above.

#### ***10.B.7 Change in control***

No provisions that would have an effect of delaying, deferring or preventing a change in control of the Company are applicable under our Memorandum and Articles of Association. However, for a summary of the restrictions under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, see item 9.A.5. “Type and class of securities” set forth above.

#### ***10.B.8 Disclosure of shareholdings***

The Companies Act requires that, where the registered owner of shares does not hold the beneficial interest in such shares, both the registered owner and the beneficial owner of such Equity Shares are required to disclose to the Company the nature of their interest, particulars of the registered owner and certain other details.

#### ***10.B.9 Differences in the law***

See the references to Indian law throughout this “Item 10.B Memorandum and Articles of Association.”

#### ***10.B.10 Changes in capital***

The requirements of the Memorandum and Articles of Association regarding changes in capital are not more stringent than the requirements of Indian law.

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## **Item 12. Description of Securities Other than Equity Securities**

### ***12.A Debt Securities.***

Not applicable.

### ***12.B Warrants and Rights***

Not applicable.

### ***12.C Other securities***

Not applicable.

### ***12.D American Depositary Shares***

JPMorgan Chase Bank, N.A. has been appointed as successor Depositary for the Company's American ADR program, effective July 23, 2025. In connection with the appointment, the Company entered into an amended and restated deposit agreement with JPMorgan governing the ADR program (the "A&R Deposit Agreement").

The A&R Deposit Agreement appoints JPMorgan as successor depositary, replacing Citibank, N.A., amends the prior deposit agreement between the Company and Citibank, N.A. and the form of ADR; and provides for the creation and issuance to holders of American depositary shares, evidenced by Direct Registration ADRs representing Sify's equity shares deposited with JPMorgan's custodian. Deposited equity shares are to be held by the custodian for the account and to the order of the depositary for the benefit of holders of ADSs, and may be withdrawn by holders upon surrender of their ADSs. Surrendered ADRs and ADSs are to be cancelled/destroyed by the Depositary.

Each of our ADSs, as evidenced by ADRs, represents six of our Equity Shares. Our ADSs are issued by the Depositary, and not by us. The ADR is vested with rights defined and enumerated in the A&R Deposit Agreement (such as the rights to vote, to receive a dividend and to receive equity shares of our Company in exchange for a certain number of ADRs). Only the Depositary is registered as shareholder in our share register. An ADR is not an equity share and an ADR holder is not a shareholder of our Company.

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AMENDED AND RESTATED DEPOSIT  
AGREEMENT AMONG  
SIFY TECHNOLOGIES LIMITED,  
JPMORGAN CHASE BANK, N.A., AS  
DEPOSITARY, AND HOLDERS AND  
BENEFICIAL OWNERS OF AMERICAN  
DEPOSITARY RECEIPTS



## TABLE OF CONTENTS

	<u>Pages</u>
PARTIES	
RECITALS	
Section 1.	<a href="#">Certain Definitions</a> 206
(a)	<a href="#">ADR Register</a> 206
(b)	<a href="#">ADRs; Direct Registration ADRs</a> 206
(c)	<a href="#">ADS</a> 206
(d)	<a href="#">Beneficial Owner</a> 206
(e)	<a href="#">Commission</a> 207
(f)	<a href="#">Custodian</a> 207
(g)	<a href="#">Deliver, execute, issue et al</a> 207
(h)	<a href="#">Delivery Order</a> 207
(i)	<a href="#">Deposited Securities</a> 207
(j)	<a href="#">Direct Registration System</a> 207
(k)	<a href="#">Holder</a> 207
(l)	<a href="#">Removal Notice Date</a> 207
(m)	<a href="#">Resignation Notice Date</a> 207
(n)	<a href="#">Securities Act of 1933</a> 207
(o)	<a href="#">Securities Exchange Act of 1934</a> 207
(p)	<a href="#">Shares</a> 207
(q)	<a href="#">Termination Date</a> 207
(r)	<a href="#">Transfer Office</a> 207
(s)	<a href="#">Withdrawal Order</a> 207
Section 2.	<a href="#">Form of ADRs</a> 208
Section 3.	<a href="#">Deposit of Shares</a> 208
Section 4.	<a href="#">Issue of ADRs</a> 209
Section 5.	<a href="#">Distributions on Deposited Securities</a> 209
Section 6.	<a href="#">Withdrawal, Delivery and Transfer of Deposited Securities</a> 209
Section 7.	<a href="#">Substitution of ADRs</a> 209
Section 8.	<a href="#">Cancellation and Destruction of ADRs</a> 209
Section 9.	<a href="#">The Custodian</a> 210
Section 10.	<a href="#">Lists of Holders</a> 210
Section 11.	<a href="#">Depository's Agents</a> 210
Section 12.	<a href="#">Resignation and Removal of the Depository; Appointment of Successor Depository</a> 210
Section 13.	<a href="#">Compliance with Securities Exchange Act of 1934 Reporting and Other Requirements; Reports</a> 211
Section 14.	<a href="#">Additional Shares</a> 211
Section 15.	<a href="#">Indemnification</a> 211
Section 16.	<a href="#">Notices</a> 212
Section 17.	<a href="#">Counterparts</a> 213
Section 18.	<a href="#">No Third-Party Beneficiaries; Holders and Beneficial Owners as Parties; Binding Effect</a> 213
Section 19.	<a href="#">Severability</a> 213
Section 20.	<a href="#">Governing Law; Consent to Jurisdiction</a> 213
Section 21.	<a href="#">Agent for Service</a> 214
Section 22.	<a href="#">Waiver of Immunities</a> 215
Section 23.	<a href="#">Waiver of Jury Trial</a> 215
Section 24.	<a href="#">Amendment and Restatement of Prior Deposit Agreement</a> 215
<a href="#">TESTIMONIUM</a>	216
<a href="#">SIGNATURES</a>	216

## EXHIBIT A

	Page
<u>FORM OF FACE OF ADR</u>	
<u>Introductory Paragraph</u>	A-1
(1) <u>Issuance of ADSs</u>	A-2
(2) <u>Withdrawal of Deposited Securities</u>	A-2
(3) <u>Transfers, Split-Ups and Combinations of ADRs</u>	A-3
(4) <u>Certain Limitations to Registration, Transfer etc.</u>	A-3
(5) <u>Liability of Holder or Beneficial Owner for Taxes, Duties and Other Charges</u>	A-3
(6) <u>Disclosure of Interests</u>	A-4
(7) <u>Charges of Depositary</u>	A-5
(8) <u>Available Information</u>	A-7
(9) <u>Execution</u>	A-7
<u>Signature of Depositary</u>	A-7
<u>Address of Depositary's Office</u>	A-7
<u>FORM OF REVERSE OF ADR</u>	A-8
(10) <u>Distributions on Deposited Securities; Sales</u>	A-8
(11) <u>Record Dates</u>	A-10
(12) <u>Voting of Deposited Securities</u>	A-10
(13) <u>Changes Affecting Deposited Securities</u>	A-11
(14) <u>Exoneration</u>	A-11
(15) <u>Resignation and Removal of Depositary; the Custodian</u>	A-14
(16) <u>Amendment</u>	A-14
(17) <u>Termination</u>	A-15
(18) <u>Appointment; Acknowledgements and Agreements</u>	A-17
(19) <u>Waiver</u>	A-17
(20) <u>Jurisdiction</u>	A-17
(21) <u>Elective Distributions in Cash or Shares</u>	A-18

AMENDED AND RESTATED DEPOSIT AGREEMENT, dated as of July 23, 2025 (the "**Deposit Agreement**"), among SIFY TECHNOLOGIES LIMITED, a corporation incorporated under the laws of the Republic of India, and its successors (the "**Company**"), JPMORGAN CHASE BANK, N.A., a national banking association organized under the laws of the United States of America, as depositary hereunder (in such capacity, the "**Depositary**"), and all Holders (as defined below) and Beneficial Owners (as defined below) from time to time of American depositary receipts issued hereunder evidencing American depositary shares ("**ADSs**") representing deposited Shares (as defined below). The Company hereby appoints the Depositary as depositary for the Deposited Securities (as defined below) and hereby authorizes and directs the Depositary to act in accordance with the terms set forth in this Deposit Agreement. All capitalized terms used herein have the meanings ascribed to them in Section 1 or elsewhere in this Deposit Agreement.

WHEREAS, the Company and Citibank, N.A. entered into that Deposit Agreement, dated as of October 18, 1999, as amended and supplemented in 2000, 2002, 2007, 2009 and 2024 (as so previously amended and supplemented, the "**Prior Deposit Agreement**") for the purposes set forth therein, for the creation of American depositary shares representing the Shares (as defined below) so deposited and for the execution and delivery of American depositary receipts ("**Prior Receipts**") evidencing the American depositary shares;

WHEREAS, pursuant to the terms of the Prior Deposit Agreement, the Company has removed Citibank, N.A. as depositary and has appointed JPMorgan Chase Bank, N.A. as successor depositary thereunder;

WHEREAS, pursuant to the terms of the Prior Deposit Agreement, the Company and the Depositary wish to amend and restate the Prior Deposit Agreement and the Prior Receipts;

NOW THEREFORE, in consideration of the premises, subject to Section 24 hereof, the parties hereto hereby amend and restate the Prior Deposit Agreement and the Prior Receipts in their entirety as follows:

**1. Certain Definitions.**

(a) "**ADR Register**" is defined in paragraph (3) of the form of ADR (*Transfers, Split-Ups and Combinations of ADRs*).

(b) "**ADRs**" mean the American Depositary Receipts executed and delivered hereunder. ADRs may be either in physical certificated form or Direct Registration ADRs (as hereinafter defined). ADRs in physical certificated form, and the terms and conditions governing the Direct Registration ADRs, shall be substantially in the form of Exhibit A annexed hereto (the "**form of ADR**"). The term "**Direct Registration ADR**" means an ADR, the ownership of which is recorded on the Direct Registration System. References to "**ADRs**" shall include certificated ADRs and Direct Registration ADRs, unless the context otherwise requires. The form of ADR is hereby incorporated herein and made a part hereof; the provisions of the form of ADR shall be binding upon the parties hereto.

(c) Subject to paragraph (13) of the form of ADR (*Changes Affecting Deposited Securities*), each "**ADS**" evidenced by an ADR represents the right to receive, and to exercise the beneficial ownership interests in, the number of Shares specified in the form of ADR attached hereto as Exhibit A (as may be amended from time to time) that are on deposit with the Depositary and/or the Custodian and a pro rata share in any other Deposited Securities, subject, in each case, to the terms of this Deposit Agreement and the ADSs. The ADS(s)-to-Share(s) ratio is subject to amendment as provided in the form of ADR (which may give rise to fees contemplated in paragraph (7) thereof (*Charges of Depositary*)).

(d) "**Beneficial Owner**" means as to any ADS, any person or entity having a beneficial ownership interest in such ADS. A Beneficial Owner need not be the Holder of the ADR evidencing such ADS. If a Beneficial Owner of ADSs is not a Holder, it must rely on the Holder of the ADR(s) evidencing such ADSs in order to assert any rights or receive any benefits under this Deposit Agreement. The arrangements between a Beneficial Owner of ADSs and the Holder of the corresponding ADRs may affect the Beneficial Owner's ability to exercise any rights it may have.

- (e) **"Commission"** means the United States Securities and Exchange Commission.
- (f) **"Custodian"** means the agent or agents of the Depository (singly or collectively, as the context requires) and any additional or substitute Custodian appointed pursuant to Section 9.
- (g) The terms **"deliver," "execute," "issue," "register," "surrender," "transfer" or "cancel,"** when used with respect to Direct Registration ADRs, shall refer to an entry or entries or an electronic transfer or transfers in the Direct Registration System, and, when used with respect to ADRs in physical certificated form, shall refer to the physical delivery, execution, issuance, registration, surrender, transfer or cancellation of certificates representing the ADRs.
- (h) **"Delivery Order"** is defined in Section 3.
- (i) **"Deposited Securities"** as of any time means all Shares at such time deposited under this Deposit Agreement and any and all other Shares, securities, property and cash at such time held by the Depository or the Custodian in respect or in lieu of such deposited Shares and other Shares, securities, property and cash. Deposited Securities are not intended to, and shall not, constitute proprietary assets of the Depository, the Custodian or their nominees. Beneficial ownership in Deposited Securities is intended to be, and shall at all times during the term of the Deposit Agreement continue to be, vested in the Beneficial Owners of the ADSs representing such Deposited Securities.
- (j) **"Direct Registration System"** means the system for the uncertificated registration of ownership of securities established by The Depository Trust Company ("**DTC**") and utilized by the Depository pursuant to which the Depository may record the ownership of ADRs without the issuance of a certificate, which ownership shall be evidenced by periodic statements issued by the Depository to the Holders entitled thereto. For purposes hereof, the Direct Registration System shall include access to the Profile Modification System maintained by DTC, which provides for automated transfer of ownership between DTC and the Depository.
- (k) **"Holder"** means the person or persons in whose name an ADR is registered on the ADR Register. For all purposes under the Deposit Agreement and the ADRs, a Holder shall be deemed to have all requisite authority to act on behalf of any and all Beneficial Owners of the ADSs evidenced by the ADR(s) registered in such Holder's name.
- (l) **"Removal Notice Date"** means the earliest date on which the Company provided notice of removal to the Depository pursuant to Section 12(b) of this Deposit Agreement.
- (m) **"Resignation Notice Date"** means the date on which the Depository provided notice of its resignation to the Company pursuant to Section 12(a) of this Deposit Agreement.
- (n) **"Securities Act of 1933"** means the United States Securities Act of 1933, as amended.
- (o) **"Securities Exchange Act of 1934"** means the United States Securities Exchange Act of 1934, as amended.
- (p) **"Shares"** mean the equity shares of the Company, and shall include the rights to receive Shares specified in paragraph (1) of the form of ADR (*Issuance of ADSs*).
- (q) **"Termination Date"** means the date this Deposit Agreement is terminated in accordance with paragraph (17) of the form of ADR (*Termination*), which, for the avoidance of doubt, shall be either (i) the date fixed for termination in a notice of termination as contemplated therein or (ii) a date determined by the Depository in the case of a termination not requiring prior notice of termination as contemplated in subparagraph (a)(iii) therein.
- (r) **"Transfer Office"** is defined in paragraph (3) of the form of ADR (*Transfers, Split-Ups and Combinations of ADRs*).
- (s) **"Withdrawal Order"** is defined in Section 6.

## 2. Form of ADRs.

(a) *Direct Registration ADRs.* Notwithstanding anything in this Deposit Agreement or in the form of ADR to the contrary, ADSs shall be evidenced by Direct Registration ADRs, unless certificated ADRs are specifically requested by the Holder.

(b) *Certificated ADRs.* ADRs in certificated form shall be printed or otherwise reproduced at the discretion of the Depositary in accordance with its customary practices in its American depositary receipt business, or at the request of the Company typewritten and photocopied on plain or safety paper, and shall be substantially in the form set forth in the form of ADR, with such changes as may be required by the Depositary or the Company to comply with their obligations hereunder, any applicable law, regulation or usage or to indicate any special limitations or restrictions to which any particular ADRs are subject. ADRs may be issued in denominations of any number of ADSs. ADRs in certificated form shall be executed by the Depositary by the manual or facsimile signature of a duly authorized officer of the Depositary (other than an ADR issued and outstanding as of the date hereof under the terms of the Prior Deposit Agreement which has become subject to the terms of this Deposit Agreement in all respects). ADRs in certificated form bearing the manual or facsimile signature of anyone who was at the time of execution a duly authorized officer of the Depositary shall bind the Depositary, notwithstanding that such officer has ceased to hold such office prior to the delivery of such ADRs.

(c) *Binding Effect.* Holders of ADRs, and the Beneficial Owners of the ADSs evidenced by such ADRs, shall each be bound by the terms and conditions of this Deposit Agreement and of the form of ADR, regardless of whether such ADRs are Direct Registration ADRs or certificated ADRs.

## 3. Deposit of Shares.

(a) *Requirements.* In connection with the deposit of Shares hereunder, the Depositary or the Custodian may require the following in a form satisfactory to it:

(i) a written order ("**Delivery Order**") directing the Depositary to issue to, or upon the written order of, the person or persons designated in such order a Direct Registration ADR or ADRs evidencing the number of ADSs representing such deposited Shares;

(ii) proper endorsements or duly executed instruments of transfer in respect of such deposited Shares;

(iii) instruments assigning to the Depositary, the Custodian or a nominee of either any distribution on or in respect of such deposited Shares or indemnity therefor; and

(iv) proxies entitling the Custodian to vote such deposited Shares.

(b) *Registration of Deposited Securities.* As soon as practicable after the Custodian receives Deposited Securities pursuant to any such deposit or pursuant to paragraph (10) (*Distributions on Deposited Securities*) or (13) (*Changes Affecting Deposited Securities*) of the form of ADR, the Custodian shall present such Deposited Securities for registration of transfer into the name of the Depositary, the Custodian or a nominee of either, in each case for the benefit of Holders, to the extent such registration is practicable, at the cost and expense of the person making such deposit (or for whose benefit such deposit is made) and shall obtain evidence satisfactory to it of such registration. Deposited Securities shall be held by the Custodian for the account and to the order of the Depositary for the benefit of Holders of ADRs (to the extent not prohibited by law) at such place or places and in such manner as the Depositary shall determine. Notwithstanding anything else contained herein, in the form of ADR and/or in any outstanding ADSs, the Depositary, the Custodian and their respective nominees are intended to be, and shall at all times during the term of this Deposit Agreement be, the record holder(s) only of the Deposited Securities represented by the ADSs for the benefit of the Holders. The Depositary, on its own behalf and on behalf of the Custodian and their respective nominees, disclaims any beneficial ownership interest in the Deposited Securities held on behalf of the Holders.

(c) *Delivery of Deposited Securities.* Deposited Securities may be delivered by the Custodian to any person only under the circumstances expressly contemplated in this Deposit Agreement. To the extent that the provisions of or governing the Shares make delivery of certificates therefor impracticable, Shares may be deposited hereunder by such delivery thereof as the Depositary or the Custodian may reasonably accept, including, without limitation, by causing them to be credited to an account maintained by the Custodian for such purpose with the Company or an accredited intermediary, such as a bank, acting as a registrar for the Shares, together with delivery of the documents, payments and Delivery Order referred to herein to the Custodian or the Depositary.

(d) The Company must inform the Depositary if any Shares issued by it which may be deposited do not, by reason of the date of issue or otherwise, rank *pari passu* in all respects with the other deposited securities. Subject to the provisions of paragraphs (10) (*Distributions on Deposited Securities*) and (13) (*Changes Affecting Deposited Securities*) of the form of ADR, if the Depositary accepts any Shares pursuant to those paragraphs for deposit it will arrange for the issue of temporary ADSs until such time as the Shares which they represent become fully fungible with the other Deposited Securities.

4. **Issue of ADRs.** At the request, risk and expense of the person depositing Shares or rights to receive Shares, the Depositary may accept such Shares and/or deposits for forwarding to the Custodian and may deliver ADRs at a place other than its office. After any such deposit of Shares, the Custodian shall notify the Depositary of such deposit and of the information contained in any related Delivery Order by letter, first class airmail postage prepaid, or by SWIFT, facsimile transmission or any other method of communication as may be agreed by the Custodian and the Depositary. After receiving such notice from the Custodian, the Depositary, subject to this Deposit Agreement, shall properly issue at the Transfer Office, to or upon the order of any person named in such notice, an ADR or ADRs registered as requested and evidencing the aggregate ADSs to which such person is entitled.

5. **Distributions on Deposited Securities.** To the extent that the Depositary determines in its discretion that any distribution pursuant to paragraph (10) of the form of ADR (*Distributions on Deposited Securities*) would not be permissible by applicable law, rule or regulation, or is not otherwise practicable with respect to any or all Holders, the Depositary may in its discretion make such distribution as it so deems practicable, including the distribution of some or all of any Cash (as defined in paragraph (10) of the form of ADR), foreign currency, securities or other property (or appropriate documents evidencing the right to receive some or all of any such Cash, foreign currency, securities or other property) and/or the Depositary may retain and hold some or all of such Cash, foreign currency, securities or other property as Deposited Securities with respect to the applicable Holders' ADRs (without liability for interest thereon or the investment thereof).

To the extent the Depositary determines in its discretion that it would not be permitted by applicable law, rule or regulation, or it would not otherwise be practicable, to convert foreign currency into U.S. dollars and/or distribute U.S. dollars to some or all of the Holders entitled thereto, the Depositary may in its discretion distribute some or all of the foreign currency received by the Depositary as it deems permissible and practicable to, or retain and hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Holders entitled to receive the same.

To the extent the Depositary retains and holds any Cash, foreign currency, securities or other property as permitted under this Section 5 or paragraph (10) (*Distributions on Deposited Securities*) of the form of ADR, any and all fees, charges and expenses related to, or arising from, the holding thereof (including, but not limited to those provided in paragraph (7) of the form of ADR (*Charges of Depositary*)) shall be paid from such Cash, foreign currency, securities or other property, or the net proceeds from the sale thereof, thereby reducing the amount so held hereunder.

6. **Withdrawal, Delivery and Transfer of Deposited Securities.** In connection with any surrender of ADRs for withdrawal of the Deposited Securities represented by the ADSs evidenced thereby, in addition to the requirements of paragraph (7) of the form of ADR, the Depositary may require proper endorsement in blank of any certificated ADRs evidencing such ADSs and/or duly executed instruments of transfer of such ADSs in blank, together with the Holder's written order directing the Depositary to cause the Deposited Securities represented by such ADSs to be withdrawn and delivered to, or upon the written order of, any person designated in such order (a "**Withdrawal Order**").

At the request, risk and expense of the Holder hereof, the Depositary may deliver such Deposited Securities (including any certificates therefor) at a place other than its office. Directions from the Depositary to the Custodian to deliver Deposited Securities shall be given by letter, first class airmail postage prepaid, or by SWIFT, facsimile transmission or any other method of communication as may be agreed by the Custodian and the Depositary. Delivery of Deposited Securities may be made by the delivery of certificates (which, if required by law shall be properly endorsed or accompanied by properly executed instruments of transfer or, if such certificates may be registered, registered in the name of such Holder or as ordered by such Holder in any Withdrawal Order) or by such other means as the Depositary may deem practicable, including, without limitation, by transfer of record ownership thereof to an account designated in the Withdrawal Order maintained either by the Company or an accredited intermediary, such as a bank, acting as a registrar for the Deposited Securities.

The Company agrees to cooperate with the Depositary and to take all actions, and to instruct and cause any registrar and/or transfer agent of the Deposited Securities to take all such actions, as may be requested by the Depositary, or are otherwise necessary or required, to effectuate the withdrawal, delivery and/or transfer of the Deposited Securities. The obligations of the Company set forth in this Section 6 shall survive the termination of the Deposit Agreement until all ADSs issued by the Depositary have been cancelled.

7. **Substitution of ADRs.** The Depositary shall execute and deliver a new Direct Registration ADR in exchange and substitution for any mutilated certificated ADR upon cancellation thereof or in lieu of and in substitution for such destroyed, lost or stolen certificated ADR, unless the Depositary has notice that such ADR has been acquired by a bona fide purchaser, upon the Holder thereof filing with the Depositary a request for such execution and delivery and a sufficient indemnity bond and satisfying any other reasonable requirements imposed by the Depositary.

8. **Cancellation and Destruction of ADRs.** All ADRs surrendered to the Depositary shall be cancelled by the Depositary. The Depositary is authorized to destroy ADRs in certificated form so cancelled in accordance with its customary practices.

## 9. The Custodian.

(a) *Rights of the Depositary.* Any Custodian in acting hereunder shall be subject to the directions of the Depositary and shall be responsible solely to it. The Depositary reserves the right to add, replace or remove a Custodian. The Depositary will give prompt notice of any such action, which will be advance notice if practicable. The Depositary may discharge any Custodian at any time upon notice to the Custodian being discharged.

(b) *Rights of the Custodian.* Any Custodian may resign from its duties hereunder in the manner permitted by any custodial agreement then in effect between the Depositary and the Custodian. Any Custodian ceasing to act hereunder as Custodian shall deliver, upon the instruction of the Depositary, all Deposited Securities held by it to a Custodian continuing to act.

(c) Notwithstanding anything to the contrary contained in this Deposit Agreement (including the ADRs) and, subject to the further limitations set forth in clause (q) of paragraph (14) of the form of ADR (*Exoneration*), the Depositary shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the Custodian except to the extent that any Holder has incurred liability directly as a result of the Custodian having (i) committed fraud or willful misconduct in the provision of custodial services to the Depositary or (ii) failed to use reasonable care in the provision of custodial services to the Depositary as determined in accordance with the standards prevailing in the jurisdiction in which the Custodian is located.

10. **Lists of Holders.** The Company shall have the right to inspect transfer records of the Depositary and its agents and the ADR Register, take copies thereof and require the Depositary and its agents to supply copies of such portions of such records as the Company may request. The Depositary or its agents shall furnish to the Company promptly upon the written request of the Company, a list of the names, addresses and holdings of ADSs by all Holders as of a date within seven (7) days of the Depositary's receipt of such request.

11. **Depositary's Agents.** The Depositary may perform its obligations under this Deposit Agreement through any agent appointed by it, provided that the Depositary shall notify the Company of such appointment and shall remain responsible for the performance of such obligations as if no agent were appointed, subject to paragraph (14) of the form of ADR (*Exoneration*).

## 12. Resignation and Removal of the Depositary; Appointment of Successor Depositary.

(a) *Resignation of the Depositary.* The Depositary may at any time resign as Depositary by providing written notice of its election to do so delivered to the Company. Subject to subparagraph (c) below, the Depositary's resignation shall take effect upon the Company's appointment of a successor depositary and such successor depositary's acceptance of its appointment as provided in Section 12(d) below.

(b) *Removal of the Depositary.* The Depositary may at any time be removed by the Company by providing no less than sixty (60) days' prior written notice of such removal to the Depositary. Subject to subparagraph (c) below, such removal shall take effect on the later of (i) the sixtieth (60th) day after the Removal Notice Date and (ii) the Company's appointment of a successor depositary and such successor depositary's acceptance of its appointment as provided in Section 12(d) below.

(c) If either the Depositary provides notice of its resignation (pursuant to Section 12(a)) or the Company provides notice of the Depositary's removal (pursuant to Section 12(b)), and a successor depositary is not appointed by the sixtieth (60th) day after the Resignation Notice Date or the Removal Notice Date, respectively, the Depositary may terminate this Deposit Agreement and the ADR in the manner set out in paragraph (17) of the form of ADR (*Termination*) and the provisions of said paragraph (17) shall thereafter govern the Depositary's obligations hereunder.

(d) *Appointment of Successor Depositary.* If the Depositary provides notice of its resignation pursuant to Section 12(a) above or the Company provides notice of the Depositary's removal pursuant to Section 12(b) above, the Company shall use its best efforts to appoint a successor depositary, which shall be a bank or trust company having an office in the Borough of Manhattan, The City of New York. Every successor depositary shall execute and deliver to its predecessor and to the Company an instrument in writing accepting its appointment hereunder, and thereupon such successor depositary, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor. The predecessor depositary, only upon payment of all sums due to it and on the written request of the Company, shall (i) execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder (other than its rights to indemnification and fees owing, each of which shall survive any such removal and/or resignation), (ii) duly assign, transfer and deliver all right, title and interest to the Deposited Securities to such successor, and (iii) deliver to such successor a list of the Holders of all outstanding ADRs. Any such successor depositary shall promptly mail notice of its appointment to such Holders. Any bank or trust company into or with which the Depositary may be merged or consolidated, or to which the Depositary shall transfer substantially all its American depositary receipt business, shall be the successor of the Depositary without the execution or filing of any document or any further act.

### 13. Compliance with Securities Exchange Act of 1934 Reporting and Other Requirements; Reports.

(a) *Securities Exchange Act of 1934.* The Company represents and warrants continuously that (i) the statements in paragraph (8) of the form of ADR (*Available Information*) attached hereto as Exhibit A or, if applicable, most recently filed with the Commission are true and correct and (ii) it is in compliance with the registration, reporting and other requirements of the Securities Exchange Act of 1934. These representations and warranties of the Company shall survive the date of the Deposit Agreement.

The Company hereby covenants and agrees to publish and file all reports, and to take all other actions, necessary and/or required to remain in compliance with the requirements of the Securities Exchange Act of 1934, as and when required. The Company agrees to notify the Depository promptly in the event of any change in the truth or accuracy of, or noncompliance with, any of the representations, warranties, covenants and agreements contained in this Section 13(a) and paragraph (8) of the form of ADR (*Available Information*).

The Company acknowledges and agrees that the Depository (i) is relying, and may so rely, solely on the Company's representations, warranties, covenants and agreements in this Section 13(a) and paragraph (8) of the form of ADR (*Available Information*), (ii) does not assume any duty or responsibility to determine if the Company is in compliance with the registration, reporting and other requirements of the Securities Exchange Act of 1934, and (iii) may, and is expressly authorized by the Company to, represent, warrant and certify that, based on such ongoing representations, warranties, covenants and agreements of the Company, the Company is in compliance with the registration, reporting and other requirements of the Securities Exchange Act of 1934.

(b) *Reports.* On or before the first date on which the Company makes any communication available to holders of Deposited Securities or any securities regulatory authority or stock exchange, by publication or otherwise, the Company shall transmit to the Depository a copy thereof in English or with an English translation or summary. The Company has delivered to the Depository, the Custodian and any Transfer Office, a copy of all provisions of or governing the Shares and any other Deposited Securities issued by the Company or any affiliate of the Company and, promptly upon any change thereto, the Company shall deliver to the Depository, the Custodian and any Transfer Office, a copy (in English or with an English translation) of such provisions as so changed. The Depository and its agents may rely upon the Company's delivery of all such communications, information and provisions for all purposes of this Deposit Agreement and the Depository shall have no liability for the accuracy or completeness of any thereof.

14. **Additional Shares.** The Company agrees with the Depository that neither the Company nor any company controlling, controlled by or under common control with the Company shall (a) issue (i) additional Shares, (ii) rights to subscribe for Shares, (iii) securities convertible into or exchangeable for Shares or (iv) rights to subscribe for any such securities or (b) deposit any Shares under this Deposit Agreement, except, in each case, under circumstances complying in all respects with the Securities Act of 1933. At the reasonable request of the Depository where it deems necessary, the Company will furnish the Depository with legal opinions, in forms and from counsels reasonably acceptable to the Depository, dealing with such issues requested by the Depository. The Depository will not knowingly accept for deposit hereunder any Shares required to be registered under the Securities Act of 1933 unless a registration statement is in effect and will use reasonable efforts to comply with written instructions of the Company not to accept for deposit hereunder any Shares identified in such instructions at such times and under such circumstances as may reasonably be specified in such instructions in order to facilitate the Company's compliance with the securities laws, rules and regulations of the United States, including, but not limited to, the Securities Act of 1933 and the rules and regulations promulgated thereunder.

### 15. Indemnification.

(a) *Indemnification by the Company.* The Company shall indemnify, defend and save harmless each of the Depository, the Custodian and their respective directors, officers, employees, agents and affiliates against any loss, liability or expense (including reasonable fees and expenses of counsel) that may arise out of acts performed or omitted, in connection with the provisions of this Deposit Agreement and of the ADRs, as the same may be amended, modified or supplemented from time to time in accordance herewith (i) by either the Depository or a Custodian or their respective directors, officers, employees, agents and affiliates, except for any liability or expense directly arising out of the negligence or willful misconduct of the Depository or its directors, officers or affiliates acting in their capacities as such hereunder, or (ii) by the Company or any of its directors, officers, employees, agents and affiliates, including, without limitation, if any of the representations and warranties of the Company contained in Section 13 hereof and/or paragraph 8 of the form of ADR (*Available Information*) were or are incorrect in any respect and/or if the Company violates or breaches any of its covenants or agreements contained therein with respect to the Securities Exchange Act of 1934 or otherwise.

The indemnities set forth in the preceding paragraph shall also apply to any liability or expense that may arise out of any misstatement or alleged misstatement or omission or alleged omission in any registration statement, proxy statement, prospectus (or placement memorandum), preliminary prospectus (or preliminary placement memorandum) or other document or report relating to, or arising from the offer, issuance, withdrawal, sale, resale or transfer of ADSs or the deposit, withdrawal, offer, sale, resale or transfer of Shares or any other report filed or furnished by the Company with the Commission.

(b) *Indemnification by the Depositary.* Subject to the limitations provided for in Sections 9 and 15(c) below, the Depositary shall indemnify, defend and save harmless the Company against any direct loss, liability or expense (including reasonable fees and expenses of counsel) incurred by the Company in respect of this Deposit Agreement to the extent such loss, liability or expense is due to the negligence or willful misconduct of the Depositary.

(c) *Special or Consequential Damages and Lost Profits.* Notwithstanding any other provision of this Deposit Agreement or the ADRs to the contrary, neither the Depositary nor the Company, nor any of their respective agents shall be liable to the other for any indirect, special, punitive or consequential damages (excluding reasonable fees and expenses of counsel) or lost profits, in each case of any form (collectively, "**Special Damages**") incurred by any of them, or liable to any other person or entity (including, without limitation, Holders and Beneficial Owners) for any Special Damages, or any fees or expenses of counsel in connection therewith, whether or not foreseeable and regardless of the type of action in which such a claim may be brought; provided, however, that (i) notwithstanding the foregoing and, for the avoidance of doubt, the Depositary and its agents shall be entitled to legal fees and expenses in defending against any claim for Special Damages and (ii) to the extent Special Damages arise from or out of a claim brought by a third party (including, without limitation, Holders and Beneficial Owners) against the Depositary or any of its agents, the Depositary and its agents shall be entitled to full indemnification from the Company for all such Special Damages, and reasonable fees and expenses of counsel in connection therewith, unless such Special Damages are found to have been a direct result of the gross negligence or willful misconduct of the Depositary.

(d) *Notification.* Any person seeking indemnification hereunder (an "**indemnified person**") shall notify the person from whom it is seeking indemnification (the "**indemnifying person**") of the commencement of any indemnifiable action or claim as promptly as reasonably practical after such indemnified person becomes aware of such commencement (provided that the failure to make such notification shall not affect such indemnified person's rights to indemnification under this Section 15 except and only to the limited extent the indemnifying person is materially prejudiced by such failure through the forfeiture of substantive rights or defenses as a result of such failure; and provided, further, that the failure to notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to an indemnified party otherwise than under this Section 15). No indemnifying person shall be liable for any settlement of any proceeding effected without its written consent (which consent shall not be unreasonably withheld, conditioned or delayed), but if settled with such indemnifying person's written consent or if there is a final and non-appealable judgment by a court of competent jurisdiction in any such proceeding, the indemnifying person agrees to indemnify and hold harmless each indemnified person from and against any and all losses, claims, damages, liabilities and reasonable legal and other out-of-pocket expenses by reason of such settlement or judgment. No indemnifying person shall, without the prior written consent of any indemnified person, effect any settlement of any pending or threatened proceedings in respect of which indemnity could have been sought hereunder by such indemnified person unless such settlement (i) includes an unconditional release of such indemnified person in form and substance reasonably satisfactory to such indemnified person from all liability or claims that are the subject matter of such proceedings and (ii) does not include any statement as to or any admission of fault, culpability, wrong doing or a failure to act by or on behalf of any indemnified person.

(e) *Survival.* The obligations set forth in this Section 15 shall survive the termination of this Deposit Agreement and the succession or substitution of any indemnified person.

## 16. Notices.

(a) *Notice to Holders.* Notice to any Holder shall be deemed given when first mailed, first class postage prepaid, to the address of such Holder on the ADR Register or received by such Holder. Failure to notify a Holder or any defect in the notification to a Holder shall not affect the sufficiency of notification to other Holders or to the Beneficial Owners of the ADSs evidenced by the ADRs held by such other Holders. The Depositary's only notification obligations under this Deposit Agreement and the ADRs shall be to Holders. Notice to a Holder shall be deemed, for all purposes of this Deposit Agreement and the ADRs, to constitute notice to any and all Beneficial Owners of the ADSs evidenced by such Holder's ADRs.

(b) *Notice to the Depositary or the Company.* Notice to the Depositary or the Company shall be deemed given when first received by it at the address or by electronic transmission to the e-mail address set forth in (i) or (ii), respectively, or at such other address or email address provided by the Depositary or the Company to the other, respectively, in the same manner as notices are required to be provided in this Section 16:

- (i) JPMorgan Chase Bank, N.A.  
383 Madison Avenue, Floor 11  
New York, New York 10179  
Attention: Depositary Receipts Group  
E-mail Address: [DR\\_Global\\_CSM@jpmorgan.com](mailto:DR_Global_CSM@jpmorgan.com)
  
- (ii) Sify Technologies Limited  
Tidel Park, Second Floor  
No. 4, Rajiv Gandhi Salai, Taramani  
Chennai 600 113, India  
Attention: Mr. Praveen Krishna  
E-mail Address: [praveen.krishna@sifycorp.com](mailto:praveen.krishna@sifycorp.com)

Delivery of a notice by means of electronic messaging shall be deemed to be effective at the time of the initiation of the transmission by the sender (as shown on the sender's records) to the email address set forth above, notwithstanding that the intended recipient retrieves the message at a later date, fails to retrieve such message, or fails to receive such notice on account of its failure to maintain the designated e-mail address, its failure to designate a substitute e-mail address or for any other reason.

17. **Counterparts.** This Deposit Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one instrument. Delivery of an executed signature page of this Deposit Agreement by facsimile or other electronic transmission (including ".pdf", ".tif" or similar format) shall be effective as delivery of a manually executed counterpart hereof.

18. **No Third-Party Beneficiaries; Holders and Beneficial Owners as Parties; Binding Effect.** This Deposit Agreement is for the exclusive benefit of the Company, the Depositary and the Holders and their respective successors hereunder, and, except to the extent specifically set forth in Section 15 of this Deposit Agreement, shall not give any legal or equitable right, remedy or claim whatsoever to any other person. The Holders and Beneficial Owners from time to time shall be parties to this Deposit Agreement and shall be bound by all of the provisions hereof. A Beneficial Owner shall only be able to exercise any right or receive any benefit hereunder solely through the Holder of the ADR(s) evidencing the ADSs owned by such Beneficial Owner.

19. **Severability.** If any provision contained in this Deposit Agreement or in the ADRs is, or becomes, invalid, illegal or unenforceable in any respect, the remaining provisions contained herein and therein shall in no way be affected thereby.

20. **Governing Law; Consent to Jurisdiction.**

(a) *Governing Law.* The Deposit Agreement, the ADSs and the ADRs shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the application of the conflict of law principles thereof.

(b) *Claims between the Company and the Depositary.* The Company irrevocably agrees that any legal suit, action or proceeding against or involving the Company brought by the Depositary arising out of or based upon this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, may be instituted in any state or federal court in New York, New York, and irrevocably waives any objection that it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding. The Company also irrevocably agrees that any legal suit, action or proceeding against or involving the Depositary brought by the Company, arising out of or based upon this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, may be instituted only in a state or federal court in New York, New York.

(c) *Claims involving Holders and Beneficial Owners.* By holding or owning an ADR or ADS or an interest therein, Holders and Beneficial Owners each irrevocably agree that any legal suit, action or proceeding against or involving Holders or Beneficial Owners brought by the Company or the Depositary, arising out of or based upon this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, may be instituted in a state or federal court in New York, New York, and by holding or owning an ADR or ADS or an interest therein each irrevocably waives any objection that it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding.

(d) By holding or owning an ADR or ADS or an interest therein, Holders and Beneficial Owners each also irrevocably agree that any legal suit, action or proceeding against or involving the Depositary and/or the Company brought by Holders or Beneficial Owners, arising out of or based upon this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, including, without limitation, claims under the Securities Act of 1933, may be instituted only in the United States District Court for the Southern District of New York (or in the state courts of New York County in New York if either (i) the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute or (ii) the designation of the United States District Court for the Southern District of New York as the exclusive forum for any particular dispute is, or becomes, invalid, illegal or unenforceable).

(e) Notwithstanding the foregoing or anything in this Deposit Agreement to the contrary, any suit, action or proceeding against the Company based on this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, may be instituted by the Depositary in any competent court in the Republic of India, the United States and/or any other court of competent jurisdiction.

## 21. Agent for Service.

(a) *Appointment.* The Company has appointed Cogency Global Inc., 122 East 42nd Street, 18th Floor, New York, NY 10168, as its authorized agent (the "**Authorized Agent**") upon which process and papers may be served in any such suit, action or proceeding arising out of or based on this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby which may be instituted in any state or federal court in New York, New York by the Depositary or any Holder, and waives any other requirements of or objections to personal jurisdiction with respect thereto. Subject to the Company's rights to replace the Authorized Agent with another entity in the manner required were the Authorized Agent to have resigned, such appointment shall be irrevocable.

(b) *Agent for Service of Process.* The Company represents and warrants that the Authorized Agent has agreed to act as said agent for service of process, and the Company agrees to take any and all action, including the filing of any and all documents and instruments, that may be necessary to continue such appointment in full force and effect as aforesaid. The Company further hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents in any suit, action or proceeding against the Company, by service by mail of a copy thereof upon the Authorized Agent (whether or not the appointment of such Authorized Agent shall for any reason prove to be ineffective or such Authorized Agent shall fail to accept or acknowledge such service), with a copy mailed to the Company by registered or certified air mail, postage prepaid, to its address provided in Section 16(b) hereof. The Company agrees that the failure of the Authorized Agent to give any notice of such service to it shall not impair or affect in any way the validity of such service or any judgment or award rendered in any suit, action or proceeding based thereon. If, for any reason, the Authorized Agent named above or its successor shall no longer serve as agent of the Company to receive service of process, summons, notices, papers and documents in New York, the Company shall promptly appoint a successor that is a legal entity with offices in New York, New York, so as to serve and will promptly advise the Depositary thereof.

(c) *Waiver of Personal Service of Process.* In the event the Company fails to continue such designation and appointment in full force and effect, the Company hereby waives personal service of process upon it and consents that any such service of process may be made by certified or registered mail, return receipt requested, directed to the Company at its address last specified for notices hereunder, and service so made shall be deemed completed five (5) days after the same shall have been so mailed.

**22. Waiver of Immunities.** To the extent that the Company or any of its properties, assets or revenues may have or may hereafter be entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any respect thereof, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or other matters under or arising out of or in connection with the Shares or Deposited Securities, the ADSs, the ADRs or this Deposit Agreement, the Company, to the fullest extent permitted by law, hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity and consents to such relief and enforcement.

**23. Waiver of Jury Trial.** EACH PARTY TO THIS DEPOSIT AGREEMENT (INCLUDING, FOR AVOIDANCE OF DOUBT, EACH HOLDER AND BENEFICIAL OWNER OF, AND/OR HOLDER OF INTERESTS IN, ADSS OR ADRS) HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING AGAINST THE DEPOSITARY AND/OR THE COMPANY DIRECTLY OR INDIRECTLY ARISING OUT OF, BASED ON OR RELATING IN ANY WAY TO THE SHARES OR OTHER DEPOSITED SECURITIES, THE ADSs OR THE ADRs, THE DEPOSIT AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN OR THEREIN, OR THE BREACH HEREOF OR THEREOF (WHETHER BASED ON CONTRACT, TORT, COMMON LAW OR ANY OTHER THEORY), INCLUDING, WITHOUT LIMITATION, ANY SUIT, ACTION, CLAIM OR PROCEEDING UNDER THE UNITED STATES FEDERAL SECURITIES LAWS. No provision of this Deposit Agreement or any ADR is intended to constitute a waiver or limitation of any rights that a Holder or any Beneficial Owner may have under the Securities Act of 1933 or the Securities Exchange Act of 1934, to the extent applicable.

**24. Amendment and Restatement of Prior Deposit Agreement.** The Deposit Agreement amends and restates the Prior Deposit Agreement in its entirety to consist exclusively of the Deposit Agreement, and each Prior Receipt is hereby deemed amended and restated to substantially conform to the form of ADR set forth in Exhibit A annexed hereto, except that, to the extent any portion of such amendment and restatement imposes or increases any fees or charges different from those set forth herein (other than charges in connection with foreign exchange control regulations, and taxes and other governmental charges, delivery and other such expenses), or otherwise materially prejudices any substantial existing right of Holders of Prior Receipts or Beneficial Owners of ADSs evidenced by such Prior Receipts, such portion shall not become effective as to such Holders or Beneficial Owners with respect to such Prior Receipt until thirty (30) days after such Holders shall have received notice thereof, such notice to be conclusively deemed given upon the mailing to such Holders of notice of such amendment and restatement which notice contains a provision whereby such Holders can receive a copy of the form of ADR.

[ *Signature page follows* ]

IN WITNESS WHEREOF, SIFY TECHNOLOGIES LIMITED and JPMORGAN CHASE BANK, N.A. have duly executed this Deposit Agreement as of the day and year first above set forth and all Holders and Beneficial Owners shall become parties hereto upon acceptance by them of ADSs issued in accordance with the terms hereof, or upon acquisition of any beneficial interest therein.

**SIFY TECHNOLOGIES LIMITED**

By: /s/ V. Ramanujan

Name: V. Ramanujan

Title: Chief Financial Officer

**JPMORGAN CHASE BANK, N.A.**

By: /s/ Gregory A. Levendis

Name: Gregory A. Levendis

Title: Executive Director

*[Signature Page to Deposit Agreement]*

EXHIBIT A

ANNEXED TO AND INCORPORATED IN  
DEPOSIT AGREEMENT

[FORM OF FACE OF ADR]

Number

No. of ADSs:

Each ADS represents Six Shares

CUSIP:

AMERICAN DEPOSITARY RECEIPT

evidencing

AMERICAN DEPOSITARY SHARES

Representing

EQUITY SHARES

of

SIFY TECHNOLOGIES LIMITED

(Incorporated under the laws of the Republic of India)

JPMORGAN CHASE BANK, N.A., a national banking association organized under the laws of the United States of America, as depositary hereunder (in such capacity, the "Depositary"), hereby certifies that \_\_\_\_\_ is the registered owner (a "Holder") of \_\_\_\_ American depositary shares ("ADSs"), each (subject to paragraph (13) (Changes Affecting Deposited Securities)) representing six equity shares (including the rights to receive Shares described in paragraph (1) (Issuance of ADSs), "Shares" and, together with any other securities, cash or property from time to time held by the Depositary in respect or in lieu of deposited Shares, the "Deposited Securities"), of Sify Technologies Limited, a company incorporated under the laws of the Republic of India (the "Company"), deposited under the Amended and Restated Deposit Agreement, dated as of July 23, 2025 (as amended from time to time, the "Deposit Agreement"), among the Company, the Depositary and all Holders and Beneficial Owners from time to time of American Depositary Receipts issued thereunder ("ADRs"), each of whom by accepting an ADR becomes a party thereto. The Deposit Agreement and this ADR (which includes the provisions set forth on the reverse hereof) shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to the application of the conflict of law principles thereof. All capitalized terms used herein, and not defined herein, shall have the meanings ascribed to such terms in the Deposit Agreement.

(1) **Issuance of ADSs.**

(a) *Issuance.* This ADR is one of the ADRs issued under the Deposit Agreement. Subject to the other provisions hereof, the Depositary may so issue ADRs for delivery at the Transfer Office only against deposit of: (i) Shares in a form satisfactory to the Custodian; or (ii) rights to receive Shares from the Company or any registrar, transfer agent, clearing agent or other entity recording Share ownership or transactions. At the request, risk and expense of the person depositing Shares or rights to receive Shares, the Depositary may accept such Shares and/or deposits for forwarding to the Custodian and may deliver ADRs at a place other than its office.

(b) *Lending.* In its capacity as Depositary, the Depositary shall not lend Shares or ADSs.

(c) *Representations and Warranties of Depositors.* Every person depositing Shares under the Deposit Agreement represents and warrants that:

- (i) such Shares and the certificates therefor are duly authorized, validly issued and outstanding, fully paid, nonassessable and legally obtained by such person,
- (ii) all pre-emptive and comparable rights, if any, with respect to such Shares have been validly waived or exercised,
- (iii) the person making such deposit is duly authorized so to do,
- (iv) the Shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim and
- (v) such Shares (A) are not "restricted securities" as such term is defined in Rule 144 under the Securities Act of 1933 ("**Restricted Securities**") unless at the time of deposit the requirements of paragraphs (c), (e), (f) and (h) of Rule 144 shall not apply and such Shares may be freely transferred and may otherwise be offered and sold freely in the United States or (B) have been registered under the Securities Act of 1933. To the extent the person depositing Shares is an "affiliate" of the Company as such term is defined in Rule 144, the person also represents and warrants that upon the sale of the ADSs, all of the provisions of Rule 144 that enable the Shares to be freely sold (in the form of ADSs) will be fully complied with and, as a result thereof, all of the ADSs issued in respect of such Shares will not be on the sale thereof, Restricted Securities.

Such representations and warranties shall survive the deposit and withdrawal of Shares and the issuance and cancellation of ADSs in respect thereof and the transfer of such ADSs. If any of the representations or warranties are incorrect in any way, the Company and the Depositary may, at the cost of the breaching Holder (including, without limitation, any Holder acting on behalf of a third party) and/or Beneficial Owner, take any and all actions necessary to correct the consequences of such misrepresentation.

(d) The Depositary may refuse to accept for such deposit any Shares identified by the Company in order to facilitate compliance with the requirements of the securities laws, rules and regulations of the United States, including, without limitation, the Securities Act of 1933 and the rules and regulations made thereunder.

(2) **Withdrawal of Deposited Securities.** Subject to paragraphs (4) (*Certain Limitations to Registration, Transfer etc.*), (5) (*Liability of Holder or Beneficial Owner for Taxes, Duties and Other Charges*) and (7) (*Charges of Depositary*) and to the provisions of or governing the Deposited Securities (including, without limitation, the Company's governing documents and all applicable laws, rules and regulations), upon surrender of (a) a certificated ADR in a form satisfactory to the Depositary at the Transfer Office or (b) proper instructions and documentation in the case of a Direct Registration ADR, the Holder hereof is entitled to delivery at the Custodian's office (or from the Custodian to the extent dematerialized) of the Deposited Securities at the time represented by the ADSs evidenced by this ADR. At the request, risk and expense of the Holder hereof, the Depositary may deliver such Deposited Securities (including any certificates therefor) at such other place as may have been requested by the Holder. Notwithstanding any other provision of the Deposit Agreement or this ADR, the withdrawal of Deposited Securities may be restricted only for the reasons set forth in General Instruction I.A.(1) of Form F-6 (as such instructions may be amended from time to time) under the Securities Act of 1933.

(3) **Transfers, Split-Ups and Combinations of ADRs.** The Depositary or its agent will keep, at a designated transfer office (the "**Transfer Office**"), (a) a register (the "**ADR Register**") for the registration, registration of transfer, combination and split-up of ADRs, and, in the case of Direct Registration ADRs, shall include the Direct Registration System, which at all reasonable times will be open for inspection by Holders and the Company for the purpose of communicating with Holders in the interest of the business of the Company or a matter relating to the Deposit Agreement and (b) facilities for the delivery and receipt of ADRs. The term ADR Register includes the Direct Registration System. Title to this ADR (and to the Deposited Securities represented by the ADSs evidenced hereby), when properly endorsed (in the case of ADRs in certificated form) and/or upon delivery to the Depositary of proper instruments of transfer, is transferable by delivery with the same effect as in the case of negotiable instruments under the laws of the State of New York; provided that the Depositary, notwithstanding any notice to the contrary, may treat the person in whose name this ADR is registered on the ADR Register as the absolute owner hereof for all purposes and neither the Depositary nor the Company will have any obligation or be subject to any liability under the Deposit Agreement or any ADR to any Beneficial Owner, unless such Beneficial Owner is the Holder hereof. Subject to paragraphs (4) (*Certain Limitations to Registration, Transfer, etc.*) and (5) (*Liability of Holder or Beneficial Owner for Taxes, Duties and Other Charges*), this ADR is transferable on the ADR Register and may be split into other ADRs or combined with other ADRs into one ADR, evidencing the aggregate number of ADSs surrendered for split-up or combination, by the Holder hereof or by duly authorized attorney upon surrender of this ADR at the Transfer Office properly endorsed (in the case of ADRs in certificated form) or upon delivery to the Depositary of proper instruments of transfer and duly stamped as may be required by applicable law; provided that the Depositary may close the ADR Register (and/or any portion thereof) at any time or from time to time when deemed expedient by it. At the request of a Holder, the Depositary shall, for the purpose of substituting a certificated ADR with a Direct Registration ADR, or vice versa, execute and deliver a certificated ADR or a Direct Registration ADR, as the case may be, for any authorized number of ADSs requested, evidencing the same aggregate number of ADSs as those evidenced by the certificated ADR or Direct Registration ADR, as the case may be, substituted.

(4) **Certain Limitations to Registration, Transfer, etc.** Prior to the issue, registration, registration of transfer, split-up or combination of any ADR, the delivery of any distribution in respect thereof, or, subject to the last sentence of paragraph (2) (*Withdrawal of Deposited Securities*), the withdrawal of any Deposited Securities, and from time to time in the case of clause (b)(ii) of this paragraph (4), the Company, the Depositary or the Custodian may require:

(a) payment with respect thereto of (i) any stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of Shares or other Deposited Securities upon any applicable register and (iii) any applicable charges as provided in paragraph (7) (*Charges of Depositary*) of this ADR;

(b) the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial or other ownership of, or interest in, any securities, compliance with applicable law, regulations, provisions of or governing Deposited Securities and terms of the Deposit Agreement and this ADR, as it may deem necessary or proper; and

(c) compliance with such regulations as the Depositary may establish consistent with the Deposit Agreement or as the Depositary believes are required, necessary or advisable in order to comply with applicable laws, rules and regulations.

The issuance of ADRs, the acceptance of deposits of Shares, the registration, registration of transfer, split-up or combination of ADRs or, subject to the last sentence of paragraph (2) (*Withdrawal of Deposited Securities*), the withdrawal and delivery of Deposited Securities may be suspended, generally or in particular instances, when the ADR Register or any register for Deposited Securities is closed or when any such action is deemed required, necessary or advisable by the Depositary for any reason.

(5) **Liability of Holder or Beneficial Owner for Taxes, Duties and Other Charges.**

(a) *Liability for Taxes.* If any tax or other governmental charges (including any penalties and/or interest) shall become payable by or on behalf of the Custodian or the Depositary with respect to this ADR, any Deposited Securities represented by the ADSs evidenced hereby or any distribution thereon, such tax or other governmental charge shall be paid by the Holder hereof to the Depositary and by holding or owning, or having held or owned, this ADR or any ADSs evidenced hereby, the Holder and all Beneficial Owners hereof and thereof, and all prior Holders and Beneficial Owners hereof and thereof, jointly and severally, agree to indemnify, defend and save harmless each of the Depositary and its agents in respect of such tax or other governmental charge.

Neither the Depositary, nor any of its agents, shall be liable to Holders or Beneficial Owners of the ADSs and ADRs for failure of any of them to comply with applicable tax laws, rules and/or regulations.

Notwithstanding the Depositary's right to seek payment from current and former Holders and Beneficial Owners, the Holder(s) and Beneficial Owner(s) hereof (and all prior Holder(s) and Beneficial Owner(s) hereof) acknowledge and agree that the Depositary has no obligation to seek payment of amounts owing under this paragraph (5) from any current or former Beneficial Owner.

The Depositary may refuse to effect any registration, registration of transfer, split-up or combination hereof or, subject to the last sentence of paragraph (2) (*Withdrawal of Deposited Securities*), any withdrawal of such Deposited Securities until such payment is made.

The Depositary may also deduct from any distributions on or in respect of Deposited Securities, or may sell by public or private sale for the account of the Holder hereof any part or all of such Deposited Securities, and may apply such deduction or the proceeds of any such sale in payment of such tax or other governmental charge, the Holder hereof remaining liable for any deficiency, and shall reduce the number of ADSs evidenced hereby to reflect any such sales of Shares. In connection with any distribution to Holders, the Company will remit to the appropriate governmental authority or agency all amounts (if any) required to be withheld and owing to such authority or agency by the Company; and the Depositary and the Custodian will remit to the appropriate governmental authority or agency all amounts (if any) required to be withheld and owing to such authority or agency by the Depositary or the Custodian.

If the Depositary determines that any distribution in property other than cash (including Shares or rights) on Deposited Securities is subject to any tax that the Depositary or the Custodian is obligated to withhold, the Depositary may dispose of all or a portion of such property in such amounts and in such manner as the Depositary deems necessary and practicable to pay such taxes, by public or private sale, and the Depositary shall distribute the net proceeds of any such sale or the balance of any such property after deduction of such taxes to the Holders entitled thereto.

(b) *Indemnification Related to Taxes.* Each Holder and Beneficial Owner agrees to indemnify the Depositary, the Company, the Custodian and any of their respective officers, directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained which obligations shall survive any transfer or surrender of ADSs or the termination of the Deposit Agreement.

**(6) Disclosure of Interests.**

(a) *General.* To the extent that the provisions of or governing any Deposited Securities may require disclosure of or impose limits on beneficial or other ownership of, or interest in, Deposited Securities, other Shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, Holders and Beneficial Owners agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable Company instructions in respect thereof.

(b) *Jurisdiction Specific.* Any summary of the laws and regulations of the Republic of India and of the terms of the Company's constituent documents has been provided by the Company solely for the convenience of Holders, Beneficial Owners and the Depositary. While such summaries are believed by the Company to be accurate as of the date of the Deposit Agreement, they are (i) summaries and as such may not include all aspects of the materials summarized as applicable to a Holder or Beneficial Owner, and (ii) provided by the Company as of the date of the Deposit Agreement. The Holder or Beneficial Owner acknowledges that these laws and regulations and the Company's constituent documents may change after the date of the Deposit Agreement. Neither the Depositary nor the Company has any obligation to update any such summaries.

**(7) Charges of Depositary.**

(a) *Rights of the Depositary.* The Depositary may charge, and collect from, (i) each person to whom ADSs are issued, including, without limitation, issuances against deposits of Shares, issuances in respect of Share Distributions, Rights and Other Distributions (as such terms are defined in paragraph (10) (*Distributions on Deposited Securities*)), issuances pursuant to a stock dividend or stock split declared by the Company, or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or the Deposited Securities, and (ii) each person surrendering ADSs for withdrawal of Deposited Securities or whose ADSs are cancelled or reduced for any other reason, a fee of up to U.S.\$5.00 for each 100 ADSs (or portion thereof) issued, delivered, reduced, cancelled or surrendered, or upon which a Share Distribution or elective distribution is made or offered (as the case may be). The Depositary may sell (by public or private sale) sufficient securities and property received in respect of Share Distributions, Rights and Other Distributions prior to such deposit to pay such charge.

(b) *Additional Fees, Charges and Expenses by the Depositary.* The following additional fees, charges and expenses shall also be incurred by the Holders, the Beneficial Owners, by any party depositing or withdrawing Shares or by any party surrendering ADSs and/or to whom ADSs are issued (including, without limitation, issuances pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the ADSs or the Deposited Securities or a distribution of ADSs pursuant to paragraph (10) (*Distributions on Deposited Securities*)), whichever is applicable:

- (i) a fee of up to U.S.\$0.05 per ADS held for any Cash distribution made, or for any elective cash/stock dividend offered, pursuant to the Deposit Agreement,
- (ii) a fee of up to U.S.\$0.05 per ADS held for the direct or indirect distribution of securities (other than ADSs or rights to purchase additional ADSs pursuant to paragraph (10) hereof) or the net cash proceeds from the public or private sale of any such securities, regardless of whether any such distribution and/or sale is made by, for, or received from, or (in each case) on behalf of, the Depositary, the Company and/or any third party (which fee may be assessed against Holders as of a record date set by the Depositary),
- (iii) an aggregate fee of up to U.S.\$0.05 per ADS per calendar year (or portion thereof) for services performed by the Depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against Holders as of the record date or record dates set by the Depositary during each calendar year and shall be payable at the sole discretion of the Depositary by billing such Holders or by deducting such charge from one or more cash dividends or other cash distributions), and
- (iv) an amount for the reimbursement of such charges and expenses as are incurred by the Depositary and/or any of its agents (including, without limitation, the Custodian, as well as charges and expenses incurred on behalf of Holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the Shares or other Deposited Securities, the sale of securities (including, without limitation, Deposited Securities), the delivery of Deposited Securities or otherwise in connection with the Depositary's or its Custodian's compliance with applicable law, rule or regulation (which charges and expenses may be assessed on a proportionate basis against Holders as of the record date or dates set by the Depositary and shall be payable at the sole discretion of the Depositary by billing such Holders or by deducting such charge or expense from one or more cash dividends or other cash distributions). Other than in the case of a deposit by the Company, to the extent any stamp duty or other governmental charge is or becomes payable in connection with, or in any way related to, the handling of Shares by the Custodian, Holders and Beneficial Owners shall be liable for, and required to pay, such stamp duty or other governmental charge. The Company shall be liable for said stamp duties and other governmental charges arising in connection with a deposit of Shares by the Company.

(c) *Other Obligations, Fees, Charges and Expenses.* The Company will pay all other fees, charges and expenses of the Depositary and any agent of the Depositary (except the Custodian) pursuant to agreements from time to time between the Company and the Depositary, except:

- (i) stock transfer or other taxes and other governmental charges (which are payable by Holders or persons depositing Shares);
- (ii) a transaction fee per cancellation request (including any cancellation request made through SWIFT, facsimile transmission or any other method of communication) as disclosed on the "Disclosures" page (or successor page) of [www.adr.com](http://www.adr.com) (as updated by the Depositary from time to time, "ADR.com") and any applicable delivery expenses (which are payable by such persons or Holders); and
- (iii) transfer or registration expenses for the registration or transfer of Deposited Securities on any applicable register in connection with the deposit or withdrawal of Deposited Securities (which are payable by persons depositing Shares or Holders withdrawing Deposited Securities).

(d) *Foreign Exchange Related Matters.* To facilitate the administration of various depositary receipt transactions, including disbursement of dividends or other cash distributions and other corporate actions, the Depositary may engage the foreign exchange desk within JPMorgan Chase Bank, N.A. (the "**Bank**") and/or its affiliates in order to enter into spot foreign exchange transactions to convert foreign currency into U.S. dollars ("**FX Transactions**"). For certain currencies, FX Transactions are entered into with the Bank or an affiliate, as the case may be, acting in a principal capacity. For other currencies, FX Transactions are routed directly to and managed by an unaffiliated local custodian (or other third-party local liquidity provider), and neither the Bank nor any of its affiliates is a party to such FX Transactions.

The foreign exchange rate applied to an FX Transaction will be either (i) a published benchmark rate, or (ii) a rate determined by a third-party local liquidity provider, in each case plus or minus a spread, as applicable. The Depositary will disclose which foreign exchange rate and spread, if any, apply to such currency on the "Disclosures" page (or successor page) of ADR.com. Such applicable foreign exchange rate and spread may (and neither the Depositary, the Bank nor any of their affiliates is under any obligation to ensure that such rate does not) differ from rates and spreads at which comparable transactions are entered into with other customers or the range of foreign exchange rates and spreads at which the Bank or any of its affiliates enters into foreign exchange transactions in the relevant currency pair on the date of the FX Transaction. Additionally, the timing of execution of an FX Transaction varies according to local market dynamics, which may include regulatory requirements, market hours and liquidity in the foreign exchange market or other factors. Furthermore, the Bank and its affiliates may manage the associated risks of their position in the market in a manner they deem appropriate without regard to the impact of such activities on the Company, the Depositary, Holders or Beneficial Owners. The spread applied does not reflect any gains or losses that may be earned or incurred by the Bank and its affiliates as a result of risk management or other hedging related activity.

Notwithstanding the foregoing, to the extent the Company provides U.S. dollars to the Depositary, neither the Bank nor any of its affiliates will execute an FX Transaction as set forth herein. In such case, the Depositary will distribute the U.S. dollars received from the Company.

Further details relating to the applicable foreign exchange rate, the applicable spread and the execution of FX Transactions will be provided by the Depositary on ADR.com. The Company, Holders and Beneficial Owners each acknowledge and agree that the terms applicable to FX Transactions disclosed from time to time on ADR.com will apply to any FX Transaction executed pursuant to the Deposit Agreement.

(e) The right of the Depositary to charge and receive payment of fees, charges and expenses as provided above shall survive the termination of the Deposit Agreement. Upon the resignation or removal of the Depositary, such right shall extend for those fees, charges and expenses incurred prior to the effectiveness of such resignation or removal.

(f) *Disclosure of Potential Depositary Payments.* The Depositary anticipates reimbursing the Company for certain expenses incurred by the Company that are related to the establishment and maintenance of the ADR program upon such terms and conditions as the Company and the Depositary may agree from time to time. The Depositary may make available to the Company a set amount or a portion of the Depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as the Company and the Depositary may agree from time to time.

(g) Under certain limited circumstances the Depositary may reduce or waive certain fees, charges and expenses provided herein and in the Deposit Agreement, including, without limitation, those described in this paragraph (7) that would normally be charged on ADSs issued to or at the direction of, or otherwise held by, the Company and/ or certain Holders and Beneficial Owners and holders and beneficial owners of Shares of the Company.

(8) **Available Information.** The Deposit Agreement, the provisions of or governing Deposited Securities and any written communications from the Company, which are both received by the Custodian or its nominee as a holder of Deposited Securities and made generally available to the holders of Deposited Securities, are available for inspection by Holders upon request to the Depository (which request may be refused by the Depository at its discretion) or on the Commission's Internet Website. The Depository will distribute copies of such communications (or English translations or summaries thereof) to Holders when furnished by the Company.

The Company is subject to the periodic reporting requirements of the Securities Exchange Act of 1934 and accordingly files certain reports with the Commission. These reports can be inspected and retrieved by Holders and Beneficial Owners through the EDGAR system on the Commission's Internet Website located as of the date of the Deposit Agreement at [www.sec.gov](http://www.sec.gov) and can be inspected and copied at the public reference facilities maintained by the Commission, located (as of the date of the Deposit Agreement) at 100 F Street, N.E., Washington, D.C. 20549. Each Holder and Beneficial Owner of an ADR and/or interest therein by so holding or owning an ADR and/or an interest therein, acknowledges and agrees that the Depository (i) is relying, and may so rely, solely on the Company's representations, warranties, covenants and agreements in Section 13(a) of the Deposit Agreement and this paragraph (8) of the form of ADR (*Available Information*), (ii) does not assume any duty or responsibility to determine if the Company is in compliance with the registration, reporting and other requirements of the Securities Exchange Act of 1934, and (iii) may, and is expressly authorized by each Holder and Beneficial Owner of an ADR and/or an interest therein to, represent, warrant and certify that, based on such ongoing representations, warranties, covenants and agreements of the Company, the Company is in compliance with the registration, reporting and other requirements of the Securities Exchange Act of 1934.

(9) **Execution.** This ADR shall not be valid for any purpose unless executed by the Depository by the manual or facsimile signature of a duly authorized officer of the Depository.

Dated:

JPMORGAN CHASE BANK, N.A., as Depository

By  
Authorized Officer

The Depository's office is located at 383 Madison Avenue, Floor 11, New York, New York 10179.

(10) **Distributions on Deposited Securities; Sales.** Subject to paragraphs (4) (*Certain Limitations to Registration, Transfer etc.*) and (5) (*Liability of Holder or Beneficial Owner for Taxes, Duties and other Charges*), to the extent practicable, the Depositary will distribute to each Holder entitled thereto on the record date set by the Depositary therefor at such Holder's address shown on the ADR Register, in proportion to the number of Deposited Securities (on which the following distributions on Deposited Securities are received by the Custodian) represented by ADSs evidenced by such Holder's ADRs:

(a) *Cash.* Any U.S. dollars available to the Depositary resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof authorized in this paragraph (10) ("**Cash**"), on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld, (ii) such distribution being permissible or practicable with respect to certain Holders, and (iii) deduction of the Depositary's and/or its agents' fees and expenses in (1) converting any foreign currency to U.S. dollars by sale or in such other manner as the Depositary may determine to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or U.S. dollars to the United States by such means as the Depositary may determine to the extent that it determines that such transfer may be made on a reasonable basis, (3) obtaining any approval or license of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner.

To the extent that any of the Deposited Securities is not or shall not be entitled, by reason of its date of issuance, or otherwise, to receive the full amount of such cash dividend, distribution, or net proceeds of sales, the Depositary shall make appropriate adjustments in the amounts distributed to the Holders issued in respect of such Deposited Securities. To the extent the Company or the Depositary shall be required to withhold and does withhold from any cash dividend, distribution or net proceeds from sales in respect of any Deposited Securities an amount on account of taxes, the amount distributed on the ADSs issued in respect of such Deposited Securities shall be reduced accordingly.

To the extent the Depositary determines in its discretion that it would not be permitted by applicable law, rule or regulation, or it would not otherwise be practicable, to convert foreign currency into U.S. dollars and/or distribute such U.S. dollars to any or all of the Holders entitled thereto, the Depositary may in its discretion distribute some or all of the foreign currency received by the Depositary as it deems permissible and practicable to, or retain and hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Holders entitled to receive the same.

(b) *Shares.* (i) Additional ADRs evidencing whole ADSs representing any Shares available to the Depositary resulting from a dividend or free distribution on Deposited Securities consisting of Shares (a "**Share Distribution**") and (ii) U.S. dollars available to it resulting from the net proceeds of public or private sales of Shares received in a Share Distribution, which Shares would give rise to fractional ADSs if additional ADRs were issued therefor, as in the case of Cash.

(c) *Rights.* (i) Warrants or other instruments in the discretion of the Depositary representing rights to acquire additional ADRs in respect of any rights to subscribe for additional Shares or rights of any nature available to the Depositary as a result of a distribution on Deposited Securities ("**Rights**"), to the extent that the Company timely furnishes to the Depositary evidence satisfactory to the Depositary that the Depositary may lawfully distribute the same (the Company has no obligation to so furnish such evidence), or (ii) to the extent the Company does not so furnish such evidence and sales of Rights are practicable, any U.S. dollars available to the Depositary from the net proceeds of the public or private sales of Rights as in the case of Cash, or (iii) to the extent the Company does not so furnish such evidence and/or such sales cannot practicably be accomplished by reason of the non-transferability of the Rights, limited markets therefor, their short duration or otherwise, nothing (and any Rights may lapse).

(d) *Other Distributions.* (i) Securities or property available to the Depositary resulting from any distribution on Deposited Securities other than Cash, Share Distributions and Rights ("**Other Distributions**"), by any means that the Depositary may deem equitable and practicable, or (ii) to the extent the Depositary deems distribution of such securities or property not to be equitable and practicable, any U.S. dollars available to the Depositary from the net proceeds of public or private sales of Other Distributions as in the case of Cash.

(e) To the extent that the Depositary determines in its discretion that any distribution pursuant to this paragraph (10) (*Distributions on Deposited Securities*) would not be permissible by applicable law, rule or regulation, or is not otherwise practicable with respect to any or all Holders, the Depositary may in its discretion make such distribution as it so deems permissible and practicable, including the distribution of some or all of any Cash, foreign currency, securities or other property (or appropriate documents evidencing the right to receive some or all of any such Cash, foreign currency, securities or other property), and/or the Depositary may retain and hold some or all of such Cash, foreign currency, securities or other property as Deposited Securities with respect to the applicable Holders' ADRs (without liability for interest thereon or the investment thereof).

(f) To the extent the Depositary retains and holds any Cash, foreign currency, securities or other property as permitted under this paragraph (10) (*Distributions on Deposited Securities*), any and all fees, charges and expenses related to, or arising from, the holding thereof (including, but not limited to those provided in paragraph (7) of this form of ADR (*Charges of Depositary*)) shall be paid from such Cash, foreign currency, securities or other property, or the net proceeds from the sale thereof, thereby reducing the amount so held hereunder.

(g) *Sales.* In all instances where the Deposit Agreement or the form of ADR refers to a "sale" (or words of similar import) of securities or property, the Depositary may, but shall not be obligated, to effect any such sale unless the securities to be sold are listed and publicly traded on a securities exchange or there is a public market for the property to be sold. To the extent the securities are not so listed and publicly traded or there is no public market for the property so distributed by the Company:

- (i) the Depositary shall, in the event the Deposit Agreement is terminated and the Depositary holds Deposited Securities that are not listed and publicly traded or property for which there is no public market after the Termination Date, act in accordance with paragraph (17)(b) of the form of ADR in respect of such securities and property; and
- (ii) in the event the Depositary or its Custodian receives (A) an Other Distribution under paragraph (10) consisting of securities or property that are not distributed by the Depositary pursuant to this paragraph (10) or (B) a distribution of Rights that falls under subparagraph (10)(c)(iii) above, the Depositary will not terminate the Deposit Agreement under paragraph (17)(a)(ii)(D) of the form of ADR but, in lieu of termination, the Depositary will, in the case of an Other Distribution, be deemed to have sold the aggregate number of securities and/or property so received for nominal value and shall have no obligation to distribute such securities or any proceeds from the deemed sale thereof to the Holders and, in the case of Rights that fall under subparagraph (10)(c)(iii) above, allow such Rights to lapse.

Furthermore, in the event the Depositary endeavors to make a sale of Shares, other securities or property, such securities and/or property may be sold in a block sale or single lot transaction.

The Depositary reserves the right to utilize a division, branch or affiliate of JPMorgan Chase Bank, N.A. to direct, manage and/or execute any public and/or private sale of securities and/or property hereunder. Such division, branch and/or affiliate may charge the Depositary a fee in connection with such sales, which fee is considered an expense of the Depositary contemplated above and/or under paragraph (7) (*Charges of Depositary*). All purchases and sales of securities will be handled by the Depositary in accordance with its then current policies, which are currently set forth on the "Disclosures" page (or successor page) of ADR.com, the location and contents of which the Depositary shall be solely responsible for.

(h) Any U.S. dollars available will be paid via wire transfer and/or distributed by checks drawn on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the Depositary in accordance with its then current practices.

(11) **Record Dates.** The Depositary may, after consultation with the Company if practicable, fix a record date (which, to the extent applicable, shall be as near as practicable to any corresponding record date set by the Company) for the determination of the Holders who shall be responsible for the fee assessed by the Depositary for administration of the ADR program and for any expenses provided for in paragraph (7) hereof as well as for the determination of the Holders who shall be entitled to receive any distribution on or in respect of Deposited Securities, to give instructions for the exercise of any voting rights, to receive any notice or to act or be obligated in respect of other matters and only such Holders shall be so entitled or obligated.

(12) **Voting of Deposited Securities.**

(a) *Notice of Any Meeting or Solicitation.* As soon as practicable after receipt of notice of any meeting at which the holders of Shares are entitled to vote, or of solicitation of consents or proxies from holders of Shares or other Deposited Securities, the Depositary shall fix the ADS record date in accordance with paragraph (11) above provided that if the Depositary receives a written request from the Company in a timely manner and at least thirty (30) days prior to the date of such vote or meeting, the Depositary shall, at the Company's expense, distribute to Holders a notice (the "**Voting Notice**") stating (i) final information particular to such vote and meeting and any solicitation materials, (ii) that each Holder on the record date set by the Depositary will, subject to any applicable provisions of the laws of the Republic of India, be entitled to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the Deposited Securities represented by the ADSs evidenced by such Holder's ADRs and (iii) the manner in which such instructions may be given, including instructions to give a discretionary proxy to a person designated by the Company. Each Holder shall be solely responsible for the forwarding of Voting Notices to the Beneficial Owners of ADSs registered in such Holder's name. There is no guarantee that Holders and Beneficial Owners generally or any Holder or Beneficial Owner in particular will receive the notice described above with sufficient time to enable such Holder or Beneficial Owner to return any voting instructions to the Depositary in a timely manner.

(b) *Voting of Deposited Securities.* Following actual receipt by the ADR department responsible for proxies and voting of Holders' instructions (including, without limitation, instructions of any entity or entities acting on behalf of the nominee for DTC), the Depositary shall, in the manner and on or before the time established by the Depositary for such purpose, endeavor to vote or cause to be voted the Deposited Securities represented by the ADSs evidenced by such Holders' ADRs in accordance with such instructions insofar as practicable and permitted under the provisions of or governing Deposited Securities. The Depositary will not itself exercise any voting discretion in respect of any Deposited Securities.

(c) *Alternative Methods of Distributing Materials.* Notwithstanding anything contained in the Deposit Agreement or any ADR, the Depositary may, to the extent not prohibited by any law, rule or regulation or by the rules, regulations or requirements of the stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the Depositary in connection with any meeting of or solicitation of consents or proxies from holders of Deposited Securities, distribute to the Holders a notice that provides Holders with or otherwise publicizes to Holders instructions on how to retrieve such materials or receive such materials upon request (*i.e.*, by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials). Holders are strongly encouraged to forward their voting instructions as soon as possible. Voting instructions will not be deemed received until such time as the ADR department responsible for proxies and voting has received such instructions, notwithstanding that such instructions may have been physically received by JPMorgan Chase Bank, N.A., as Depositary, prior to such time.

(d) *Manner of Voting.* The Depositary has been advised by the Company that under Indian law and the Memorandum and Articles of Association of the Company, each as in effect as of the date of the Deposit Agreement, voting at any meeting of shareholders of the Company is by show of hands unless a poll is (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll) demanded. In the event that voting on any resolution or matter is conducted on a show of hands basis in accordance with the Memorandum and Articles of Association, the Depositary will refrain from voting and the voting instructions received by the Depositary from Holders shall lapse. The Depositary will not demand a poll or join in demanding a poll, whether or not requested to do so by Holders of ADSs.

**(13) Changes Affecting Deposited Securities.**

(a) Subject to paragraphs (4) (*Certain Limitations to Registration, Transfer etc.*) and (5) (*Liability of Holder or Beneficial Owner for Taxes, Duties and Other Charges*), the Depositary may, in its discretion, and shall if reasonably requested by the Company, amend this ADR or distribute additional or amended ADRs (with or without calling this ADR for exchange) or cash, securities or property on the record date set by the Depositary therefor to reflect any change in par value, split-up, consolidation, cancellation or other reclassification of Deposited Securities, any Share Distribution or Other Distribution not distributed to Holders or any cash, securities or property available to the Depositary in respect of Deposited Securities from (and the Depositary is hereby authorized to surrender any Deposited Securities to any person and, irrespective of whether such Deposited Securities are surrendered or otherwise cancelled by operation of law, rule, regulation or otherwise, to sell by public or private sale any property received in connection with) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all the assets of the Company.

(b) To the extent the Depositary does not so amend this ADR or make a distribution to Holders to reflect any of the foregoing, or the net proceeds thereof, whatever cash, securities or property results from any of the foregoing shall constitute Deposited Securities and each ADS evidenced by this ADR shall automatically represent its pro rata interest in the Deposited Securities as then constituted.

(c) Promptly upon the occurrence of any of the aforementioned changes affecting Deposited Securities, the Company shall notify the Depositary in writing of such occurrence and as soon as practicable after receipt of such notice from the Company, may instruct the Depositary to give notice thereof, at the Company's expense, to Holders in accordance with the provisions hereof. Upon receipt of such instruction, the Depositary shall give notice to the Holders in accordance with the terms thereof, as soon as reasonably practicable.

**(14) Exoneration.**

(a) *Force Majeure, Limitations on Liability and Obligations.* The Depositary, the Company, and each of their respective directors, officers, employees, agents and affiliates and each of them shall:

- (i) incur or assume no liability (including, without limitation, to Holders or Beneficial Owners) (A) if any present or future law, rule, regulation, fiat, order or decree of the Republic of India, the United States or any other country or jurisdiction, or of any governmental or regulatory authority or any securities exchange or market or automated quotation system, the provisions of or governing any Deposited Securities, any present or future provision of the Company's charter, any act of God, war, terrorism, epidemic, pandemic, nationalization, expropriation, currency restrictions, extraordinary market conditions, work stoppage, strike, civil unrest, revolutions, rebellions, explosions, cyber, ransomware or malware attack, computer failure or circumstance beyond its direct and immediate control shall prevent or delay, or shall cause any of them to be subject to any civil or criminal penalty in connection with, any act which the Deposit Agreement or this ADR provides shall be done or performed by it or them (including, without limitation, voting pursuant to paragraph (12) hereof), or (B) by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or things which by the terms of the Deposit Agreement it is provided shall or may be done or performed or any exercise or failure to exercise any discretion given it in the Deposit Agreement or this ADR (including, without limitation, any failure to determine that any distribution or action may be lawful or reasonably practicable);

- (ii) in the case of the Depository and its agents, incur or assume no liability (including, without limitation, to Holders or Beneficial Owners) except to perform its obligations to the extent they are specifically set forth in this ADR and the Deposit Agreement without gross negligence or willful misconduct and the Depository shall not be a fiduciary or have any fiduciary duty to Holders or Beneficial Owners;
- (iii) in the case of the Depository and its agents, be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities, the ADSs or this ADR;
- (iv) in the case of the Company and its agents hereunder be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities, the ADSs or this ADR, which in its opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expense (including fees and disbursements of counsel) and liability be furnished as often as may be required; and
- (v) not be liable (including, without limitation, to Holders or Beneficial Owners) for any action or inaction by it in reliance upon the advice of or information from any legal counsel, any accountant, any person presenting Shares for deposit, any Holder, or any other person believed by it to be competent to give such advice or information and/or, in the case of the Depository, the Company provided that the foregoing shall not apply to the Company's indemnification obligations under the Deposit Agreement.

(b) *Insolvency, Liability, etc., of Custodian, Securities Depository, Clearing Agency or Settlement System.* The Depository shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any Custodian that is not a branch or affiliate of JPMorgan Chase Bank, N.A. Notwithstanding anything to the contrary contained in the Deposit Agreement (including the ADRs) and, subject to the further limitations set forth in clause (q) of this paragraph (14), the Depository shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the Custodian except to the extent that any Holder has incurred liability directly as a result of the Custodian having (i) committed fraud or willful misconduct in the provision of custodial services to the Depository or (ii) failed to use reasonable care in the provision of custodial services to the Depository as determined in accordance with the standards prevailing in the jurisdiction in which the Custodian is located.

The Depository shall not be liable for the acts or omissions made by, or the insolvency of, any securities depository, clearing agency or settlement system.

(c) The Depository, its agents and the Company may rely and shall be protected in acting upon any written notice, request, direction, instruction or document believed by them to be genuine and to have been signed, presented or given by the proper party or parties.

(d) The Depository shall be under no obligation to inform Holders or Beneficial Owners about the requirements of the laws, rules or regulations or any changes therein or thereto of the Republic of India, the United States or any other country or jurisdiction or of any governmental or regulatory authority or any securities exchange or market or automated quotation system.

(e) The Depository and its agents will not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities, for the manner in which any voting instructions are given, including instructions to give a discretionary proxy to a person designated by the Company, for the manner in which any vote is cast, including, without limitation, any vote cast by a person to whom the Depository is instructed to grant a discretionary proxy pursuant to paragraph (12) hereof, or for the effect of any such vote.

(f) The Depository shall endeavor to effect any sale of securities or other property and any conversion of currency, securities or other property, in each case as is referred to or contemplated in the Deposit Agreement or the form of ADR, in accordance with the Depository's normal practices and procedures under the circumstances applicable to such sale or conversion, but shall have no liability (in the absence of its own willful default or gross negligence or that of its agents, officers, directors or employees) with respect to the terms of any such sale or conversion, including the price at which such sale or conversion is effected, or if such sale or conversion shall not be practicable, or shall not be believed, deemed or determined to be practicable by the Depository. Specifically, the Depository shall not have any liability for the price received in connection with any public or private sale of securities (including, without limitation, for any sale made at a nominal price), the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale.

(g) The Depositary shall not incur any liability in connection with or arising from any failure, inability or refusal by the Company or any other party, including any share registrar, transfer agent or other agent appointed by the Company, the Depositary or any other party, to process any transfer, delivery or distribution of cash, Shares, other securities or other property, including without limitation upon the termination of the Deposit Agreement, or otherwise to comply with any provisions of the Deposit Agreement that are applicable to it.

(h) The Depositary may rely upon instructions from the Company or its counsel in respect of any approval or license required for any currency conversion, transfer or distribution.

(i) The Depositary and its agents may own and deal in any class of securities of the Company and its affiliates and in ADRs.

(j) Notwithstanding anything to the contrary set forth in the Deposit Agreement or an ADR, the Depositary and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the Deposit Agreement, any Holder or Holders, any ADR or ADRs or otherwise related hereto or thereto to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators.

(k) None of the Depositary, the Custodian or the Company, or any of their respective directors, officers, employees, agents or affiliates shall be liable for the failure by any Holder or Beneficial Owner to obtain the benefits of credits or refunds of non-U.S. tax paid against such Holder's or Beneficial Owner's income tax liability.

(l) The Depositary is under no obligation to provide the Holders and Beneficial Owners, or any of them, with any information about the tax status of the Company. None of the Depositary, the Custodian or the Company, or any of their respective directors, officers, employees, agents and affiliates, shall incur any liability for any tax or tax consequences that may be incurred by Holders or Beneficial Owners on account of their ownership or disposition of the ADRs or ADSs.

(m) The Depositary shall not incur any liability for the content of any information submitted to it by or on behalf of the Company for distribution to the Holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the Deposited Securities, for the validity or worth of the Deposited Securities, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the Deposit Agreement or for the failure or timeliness of any notice from the Company.

(n) Notwithstanding anything herein or in the Deposit Agreement to the contrary, the Depositary and the Custodian(s) may use third-party delivery services and providers of information regarding matters such as, but not limited to, pricing, proxy voting, corporate actions, class action litigation and other services in connection herewith and the Deposit Agreement, and use local agents to provide services such as, but not limited to, attendance at any meetings of security holders of issuers. Although the Depositary and the Custodian will use reasonable care (and cause their agents to use reasonable care) in the selection and retention of such third-party providers and local agents, they will not be responsible for any errors or omissions made by them in providing the relevant information or services.

(o) The Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in connection with any matter arising wholly after the removal or resignation of the Depositary.

(p) The Company has agreed to indemnify the Depositary and its agents under certain circumstances and the Depositary has agreed to indemnify the Company under certain circumstances.

(q) Notwithstanding any other provision of the Deposit Agreement or this ADR to the contrary, neither the Depository nor the Company, nor any of their respective agents shall be liable to the other for any indirect Special Damages in any form incurred by any of them, or liable to any other person or entity (including, without limitation, Holders and Beneficial Owners) for any Special Damages, or any fees or expenses of counsel in connection therewith, whether or not foreseeable and regardless of the type of action in which such a claim may be brought; provided, however, that (i) notwithstanding the foregoing and, for the avoidance of doubt, the Depository and its agents shall be entitled to legal fees and expenses in defending against any claim for Special Damages and (ii) to the extent Special Damages arise from or out of a claim brought by a third party (including, without limitation, Holders and Beneficial Owners) against the Depository or any of its agents, the Depository and its agents shall be entitled to full indemnification from the Company for all such Special Damages, and reasonable fees and expenses of counsel in connection therewith, unless such Special Damages are found to have been a direct result of the gross negligence or willful misconduct of the Depository.

(r) No provision of the Deposit Agreement or this ADR is intended to constitute a waiver or limitation of any rights which Holders or Beneficial Owners may have under the Securities Act of 1933 or the Securities Exchange Act of 1934, to the extent applicable.

(s) Notwithstanding anything else contained herein or in the Prior Deposit Agreement, the Depository shall have no liability or responsibility under the Deposit Agreement, any ADR or any related agreement, for any period prior to the effective date of the Deposit Agreement or for any act or omission of the predecessor to the Depository or any of its agents (including the Custodian as defined in the Prior Deposit Agreement), under or in connection with this Deposit Agreement, any ADRs or any related agreement.

**(15) Resignation and Removal of Depository; the Custodian.**

(a) *Resignation.* The Depository may at any time resign as Depository by providing written notice of its election to do so delivered to the Company. Subject to subparagraph (c) below, the Depository's resignation shall take effect upon the Company's appointment of a successor depository and such successor depository's acceptance of its appointment as provided in the Deposit Agreement.

(b) *Removal.* The Depository may at any time be removed by the Company by providing no less than sixty (60) days' prior written notice of such removal to the Depository. Subject to subparagraph (c) below, such removal shall take effect on the later of (i) the sixtieth (60th) day after the Removal Notice Date and (ii) the Company's appointment of a successor depository and such successor depository's acceptance of its appointment as provided in the Deposit Agreement.

(c) If either the Depository provides notice of its resignation (pursuant to subparagraph (a) above) or the Company provides notice of the Depository's removal (pursuant to subparagraph (b) above), and a successor depository is not appointed by the sixtieth (60th) day after the Resignation Notice Date or the Removal Notice Date, respectively, the Depository may terminate the Deposit Agreement and the ADR in the manner set out in paragraph (17) (*Termination*) of this ADR and the provisions of said paragraph (17) shall thereafter govern the Depository's obligations under the Deposit Agreement and the form of ADR.

(d) *The Custodian.* The Depository may appoint substitute or additional Custodians and the term "**Custodian**" refers to each Custodian or all Custodians as the context requires.

(16) **Amendment.** Subject to the last sentence of paragraph (2) (*Withdrawal of Deposited Securities*), the ADRs and the Deposit Agreement may be amended by the Company and the Depository, provided that any amendment that imposes or increases any fees on a per ADS basis, charges or expenses (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, the transaction fee per cancellation request (including any cancellation request made through SWIFT, facsimile transmission or any other method of communication) described in paragraph (7)(c)(ii) (*Charges of Depository*) of the form of ADR, applicable delivery expenses or other such fees, charges or expenses), or that shall otherwise prejudice any substantial existing right of Holders or Beneficial Owners, shall become effective thirty (30) days after notice of such amendment shall have been given to the Holders. Every Holder and Beneficial Owner at the time any amendment to the Deposit Agreement so becomes effective shall be deemed, by continuing to hold such ADR or interest therein, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right of the Holder of any ADR to surrender such ADR and receive the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

Any amendments or supplements that (i) are reasonably necessary (as agreed by the Company and the Depositary) in order for (a) the ADSs to be registered on Form F-6 under the Securities Act of 1933 or (b) the ADSs or Shares to be traded solely in electronic book-entry form and (ii) do not in either such case impose or increase any fees or charges to be borne by Holders, shall be deemed not to prejudice any substantial rights of Holders or Beneficial Owners.

Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations which would require amendment or supplement of the Deposit Agreement or the form of ADR to ensure compliance therewith, the Company and the Depositary may amend or supplement the Deposit Agreement and the ADR at any time in accordance with such changed laws, rules or regulations. Such amendment or supplement to the Deposit Agreement in such circumstances may become effective before a notice of such amendment or supplement is given to Holders or within any other period of time as required for compliance.

Notice of any amendment to the Deposit Agreement or the form of ADRs shall not need to describe in detail the specific amendments effectuated thereby, and failure to describe the specific amendments in any such notice shall not render such notice invalid, provided, however, that, in each such case, the notice given to the Holders identifies a means for Holders and Beneficial Owners to retrieve or receive the text of such amendment (*i.e.*, upon retrieval from the Commission's, the Depositary's or the Company's website or upon request from the Depositary).

**(17) Termination.**

**(a) Termination by the Depositary and the Company.**

- (i) The Depositary shall, at any time at the written direction of the Company, terminate the Deposit Agreement by mailing notice of such termination to the Holders at least thirty (30) days prior to the Termination Date.
- (ii) The Depositary may also terminate the Deposit Agreement by mailing notice of such termination to the Holders at least thirty (30) days prior to the Termination Date if (A) sixty (60) days shall have expired after the Resignation Notice Date and a successor Depositary shall not be operating under the Deposit Agreement, (B) sixty (60) days shall have expired after the Removal Notice Date and a successor Depositary shall not be operating under the Deposit Agreement, (C) the Company is bankrupt, in liquidation proceedings or insolvent, (D) the ADRs are delisted from a "national securities exchange" (that has registered with the Commission under Section 6 of the Securities Exchange Act of 1934, either voluntarily or compulsorily or by application of law or otherwise), (E) the Company effects (or will effect) a redemption of all or substantially all of the Deposited Securities, or a cash or share distribution representing a return of all or substantially all of the value of the Deposited Securities, (F) there are no Deposited Securities with respect to ADSs remaining, including if the Deposited Securities are cancelled, or the Deposited Securities have been deemed to have no value, or (G) there occurs a merger, consolidation, sale of assets or other transaction as a result of which securities or other property are delivered in exchange for or in lieu of Deposited Securities.
- (iii) Additionally, the Depositary may immediately terminate the Deposit Agreement, without prior notice to the Company, any Holder or Beneficial Owner or any other person if (A) required by any law, rule or regulation relating to sanctions by any governmental authority or body, (B) the Depositary would be subject to liability under or pursuant to any law, rule or regulation, or (C) required by any governmental authority or body, in each case as determined by the Depositary in its reasonable discretion.

**(b) Depositary's Obligations.**

- (i) After the Termination Date, the Depositary and its agents will perform no further acts under the Deposit Agreement and this ADR, except to receive and hold (or sell) distributions on Deposited Securities, deliver Deposited Securities being withdrawn and to take such actions as provided in the next two paragraphs, in each case subject to payment to the Depositary of the applicable fees and expenses provided in paragraph (7) of this form of ADR (*Charges of Depositary*).

- (ii) After the Termination Date, if the Deposited Securities are listed and publicly traded on a securities exchange and the Depositary believes that it is able, permissible and practicable to sell the Deposited Securities without undue effort, then, the Depositary may endeavor to publicly or privately sell (as long as it may lawfully do so) the Deposited Securities, which sale may be effected in a block sale/single lot transaction and, after the settlement of such sale(s), to the extent legally permissible and practicable, distribute or hold in an account (which may be a segregated or unsegregated account) the net proceeds of such sale(s), less any amounts owing to the Depositary (including, without limitation, cancellation fees), together with any other cash then held by it under the Deposit Agreement, in trust, without liability for interest, for the pro rata benefit of the Holders entitled thereto. If the Depositary sells the Deposited Securities, the Depositary shall be discharged from all, and cease to have any, obligations under the Deposit Agreement and the ADRs after making such sale, except to account for such net proceeds and other cash.
- (iii) However, if the Deposited Securities are not listed and publicly traded on a securities exchange after the Termination Date, or if, for any reason, the Depositary does not sell the Deposited Securities, the Depositary shall use its reasonable efforts to ensure that the ADSs cease to be DTC eligible and that neither DTC nor any of its nominees shall thereafter be a Holder. At such time as the ADSs cease to be DTC eligible and/or neither DTC nor any of its nominees is a Holder, to the extent the Company is not, to the Depositary's knowledge, insolvent or in bankruptcy or liquidation, the Depositary shall:
  - (A) cancel this ADR and all other outstanding ADRs,
  - (B) request DTC to provide the Depositary with information on those holding ADSs through DTC and, upon receipt thereof, revise the ADR Register to reflect the information provided by DTC,
  - (C) instruct its Custodian to deliver all Deposited Securities to the Company, a subsidiary or affiliate or registered office provider of the Company (the subsidiary or affiliate or registered office provider being the "**Company Representative**") or an independent trust company engaged by the Company (the "**Trustee**") to hold those Deposited Securities in trust for the beneficial owners of the ADRs if the Company is not permitted to hold any of the Deposited Securities under applicable law and/or the Company has directed the Depositary to deliver such Deposited Securities to a Company Representative or Trustee along with a stock transfer form and/or such other instruments of transfer covering such Deposited Securities as are needed under applicable law, in either case referring to the names set forth on the ADR Register, and
  - (D) provide the Company with a copy of the ADR Register (which copy may be sent by email or by any means permitted under the notice provisions of the Deposit Agreement).

Upon receipt of any instrument of transfer covering such Deposited Securities and the ADR Register, the Company shall deliver to each person reflected on such ADR Register appropriate documentation to effect the transfer to such persons of the Deposited Securities previously represented by the ADSs evidenced by their ADRs. Notwithstanding the foregoing, to the extent Indian law, rules or regulations make it unpracticable for the Company or the Depositary to comply with the provisions of (iii) above, the Company may instruct the Depositary to sell to it or its agent, or the Depositary may instruct the Company to have it or its agent purchase, all of the Deposited Securities at a per Share price to be agreed between the Depositary and the Company. The Depositary reserves the right to request that the Company provide it with a fairness opinion issued by an internationally recognized investment bank and/or financial advisory/appraisal firm in connection with any such sale.

To the extent the Depositary reasonably believes that the Company is insolvent, or if the Company is in receivership, has filed for bankruptcy and/or is otherwise in restructuring, administration or liquidation, and in any such case the Deposited Securities are not listed and publicly traded on a securities exchange after the Termination Date, or if, for any reason, the Depositary believes it is not able to or cannot practicably sell the Deposited Securities promptly and without undue effort, the Deposited Securities shall be deemed to have no value (and such Holders shall be deemed to have instructed the Depositary that the Deposited Securities have no value). The Depositary may, but shall not be obligated to, and the Holders irrevocably consent and agree that the Depositary may instruct its Custodian to deliver all Deposited Securities to the Company (acting, as applicable by its administrator, receiver, administrative receiver, liquidator, provisional liquidator, restructuring officer, interim restructuring officer, trustee, controller or other entity overseeing the bankruptcy, insolvency, administration, restructuring or liquidation process) and notify the Company that the Deposited Securities are surrendered for no consideration. The Company shall, subject to applicable law, promptly accept the surrender of the Deposited Securities for no consideration and deliver to the Depositary a written notice confirming (A) the acceptance of the surrender of the Deposited Securities for no consideration and (B) the cancellation of such Deposited Securities. Promptly after notifying the Company that the Deposited Securities are surrendered for no consideration and irrespective of whether the Company has complied with the immediately preceding sentence, the Depositary shall notify Holders that their ADSs have been cancelled with no consideration being payable to Holders.

Upon the Depository's compliance with the provisions of this subparagraph (17)(b)(iii), the Depository and its agents shall be discharged from all, and cease to have any, obligations under the Deposit Agreement and the ADRs.

(c) *Company's Obligations.* After the Termination Date, the Company shall be discharged from all obligations under the Deposit Agreement except for its obligations under this paragraph (17) and its obligations to the Depository and its agents.

(18) **Appointment; Acknowledgements and Agreements.** Each Holder and each Beneficial Owner, upon acceptance of any ADSs or ADRs (or any interest in any of them) issued in accordance with the terms and conditions of the Deposit Agreement shall be deemed for all purposes to (a) be a party to and bound by the terms of the Deposit Agreement and the applicable ADR(s), (b) appoint the Depository its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the Deposit Agreement and the applicable ADR(s), to adopt any and all procedures necessary to comply with applicable law and to take such action as the Depository in its sole discretion may deem necessary or appropriate to carry out the purposes of the Deposit Agreement and the applicable ADR(s), the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof, and (c) acknowledge and agree that (i) nothing in the Deposit Agreement or any ADR shall give rise to a partnership or joint venture among the parties thereto, nor establish a fiduciary or similar relationship among such parties, (ii) the Depository, its divisions, branches and affiliates, and their respective agents, may from time to time be in the possession of non-public information about the Company, Holders, Beneficial Owners and/or their respective affiliates, (iii) the Depository and its divisions, branches and affiliates may at any time have multiple banking relationships with the Company, Holders, Beneficial Owners and/or the affiliates of any of them, (iv) the Depository and its divisions, branches and affiliates may, from time to time, be engaged in transactions in which parties adverse to the Company or the Holders or Beneficial Owners and/or their respective affiliates may have interests, (v) nothing contained in the Deposit Agreement or any ADR(s) shall (A) preclude the Depository or any of its divisions, branches or affiliates from engaging in any such transactions or establishing or maintaining any such relationships, or (B) obligate the Depository or any of its divisions, branches or affiliates to disclose any such transactions or relationships or to account for any profit made or payment received in any such transactions or relationships, (vi) the Depository shall not be deemed to have knowledge of any information held by any branch, division or affiliate of the Depository and (vii) notice to a Holder shall be deemed, for all purposes of the Deposit Agreement and this ADR, to constitute notice to any and all Beneficial Owners of the ADSs evidenced by such Holder's ADRs. For all purposes under the Deposit Agreement and this ADR, the Holder hereof shall be deemed to have all requisite authority to act on behalf of any and all Beneficial Owners of the ADSs evidenced by this ADR.

(19) **Waiver.** EACH PARTY TO THE DEPOSIT AGREEMENT (INCLUDING, FOR AVOIDANCE OF DOUBT, EACH HOLDER AND BENEFICIAL OWNER OF, AND/OR HOLDER OF INTERESTS IN, ADSS OR ADRS) HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING AGAINST THE DEPOSITARY AND/OR THE COMPANY DIRECTLY OR INDIRECTLY ARISING OUT OF, BASED ON OR RELATING IN ANY WAY TO THE SHARES OR OTHER DEPOSITED SECURITIES, THE ADSs OR THE ADRs, THE DEPOSIT AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN OR THEREIN, OR THE BREACH HEREOF OR THEREOF (WHETHER BASED ON CONTRACT, TORT, COMMON LAW OR ANY OTHER THEORY), INCLUDING, WITHOUT LIMITATION, ANY SUIT, ACTION, CLAIM OR PROCEEDING UNDER THE UNITED STATES FEDERAL SECURITIES LAWS. No provision of the Deposit Agreement or this ADR is intended to constitute a waiver or limitation of any rights that a Holder or any Beneficial Owner may have under the Securities Act of 1933 or the Securities Exchange Act of 1934, to the extent applicable.

(20) **Jurisdiction.** By holding or owning an ADR or ADS or an interest therein, Holders and Beneficial Owners each irrevocably agree that any legal suit, action or proceeding against or involving Holders or Beneficial Owners brought by the Company or the Depository, arising out of or based upon the Deposit Agreement, the ADSs, the ADRs or the transactions contemplated therein, herein, thereby or hereby, may be instituted in a federal or state court in New York, New York, and by holding or owning an ADR or ADS or an interest therein each irrevocably waives any objection that it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding.

By holding or owning an ADR or ADS or an interest therein, Holders and Beneficial Owners each also irrevocably agree that any legal suit, action or proceeding against or involving the Depository and/or the Company brought by Holders or Beneficial Owners, arising out of or based upon the Deposit Agreement, the ADSs, the ADRs or the transactions contemplated therein, herein, thereby or hereby, including, without limitation, claims under the Securities Act of 1933, may be instituted only in the United States District Court for the Southern District of New York (or in the state courts of New York County in New York if either (i) the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute or (ii) the designation of the United States District Court for the Southern District of New York as the exclusive forum for any particular dispute is, or becomes, invalid, illegal or unenforceable).

Additionally, notwithstanding the foregoing or anything in the Deposit Agreement to the contrary, any suit, action or proceeding against the Company based on the Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, may be instituted by the Depository in any competent court in the Republic of India, the United States and/or any other court of competent jurisdiction.

(21) **Elective Distributions in Cash or Shares.** Whenever the Company intends to distribute a dividend payable at the election of the holders of Shares in cash or in additional Shares, the Company shall give notice thereof to the Depository at least thirty (30) days prior to the proposed distribution stating whether or not it wishes such elective distribution to be made available to Holders. Upon receipt of notice indicating that the Company wishes such elective distribution to be made available to Holders, the Depository shall consult with the Company to determine, and the Company shall assist the Depository in its determination, whether it is lawful and reasonably practicable to make such elective distribution available to the Holders. The Depository shall make such elective distribution available to Holders only if (i) the Company shall have timely requested that the elective distribution is available to Holders, (ii) the Depository shall have determined that such distribution is reasonably practicable and (iii) the Depository shall have received satisfactory documentation within the terms of Section 14 of the Deposit Agreement including, without limitation, any legal opinions of counsel in any applicable jurisdiction that the Depository in its reasonable discretion may request, at the expense of the Company. If the above conditions are not satisfied, the Depository shall, to the extent permitted by law, distribute to the Holders, on the basis of the same determination as is made in the local market in respect of the Shares for which no election is made, either (x) cash or (y) additional ADSs representing such additional Shares. If the above conditions are satisfied, the Depository shall establish a record date and establish procedures to enable Holders to elect the receipt of the proposed dividend in cash or in additional ADSs. The Company shall assist the Depository in establishing such procedures to the extent necessary. Nothing herein shall obligate the Depository to make available to Holders a method to receive the elective dividend in Shares (rather than ADSs). There can be no assurance that Holders or Beneficial Owners generally, or any Holder and/or Beneficial Owner in particular, will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of Shares.

<b>Particulars</b>	<b>Country of incorporation</b>	<b>2026 (%)</b>	<b>2025 (%)</b>	<b>2024 (%)</b>
Sify Technologies (Singapore) Pte. Ltd.	Singapore	100	100	100
Sify Technologies North America Corporation	United States	100	100	100
Sify Data and Managed Services Limited	India	100	100	100
Sify Infnit Spaces Limited*	India	88.45	100	100
Sify Digital Services Limited	India	100	100	100
SKVR Software Solution Private Limited	India	94.34	100	-

\* Pursuant to Conversion of Compulsorily Convertible Debentures and Compulsorily Convertible Preference Shares into equity Shares by Sify Infnit Spaces Limited on February 07,2026, the holding of Sify Technologies Limited stands reduced from 100% to 88.45%. Consequently, the holding in SKVR Software Solution Private Limited stands reduced from 100% to 94.34%.



# **Insider Trading Policy**

**Sify Technologies Limited**  
**2<sup>nd</sup> Floor, TIDEL Park, 4, Rajiv Gandhi Salai,**  
**Taramani, Chennai-600113**  
**India**

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## A) PURPOSE

The purpose of this Insider Trading Policy (“Policy”) is to promote compliance with securities law and to preserve the reputation and integrity of Sify Technologies Limited (the “Company”) and all persons affiliated with it. “Insider trading” occurs when any person purchases or sells a security while in possession of inside information relating to the security. “inside information” is information which is considered to be both “material” and “non-public.”

## B) APPLICABILITY OF POLICY

This Policy applies to all directors, officers, and employees of the Company. Individuals subject to this Policy are responsible for ensuring that their family members comply with this Policy. This Policy also applies to any entity controlled by individuals subject to the Policy, including any corporation, partnership or trust, and transactions by these entities should be treated for the purposes of this Policy and applicable securities laws as if they were for the individual’s own account.

This Policy extends to all activities within and outside an individual’s duties to the Company. Unless the context otherwise requires, references to the “Company” in this Policy includes the Company and its subsidiaries. Every director, officer and employee must review this Policy. Questions regarding this Policy should be directed to the Group Chief Financial Officer at (91) 44-2254-0770.

## C) DEFINITIONS / EXPLANATIONS

### **Insider:**

The concept of “insider” is broad. Any person who possesses material non-public information is considered an insider as to that information. Insiders include Company Directors, Officers, and any employee who has obtained material non-public information. The definition of an insider is transaction specific; that is, an individual is an insider with respect to each material non-public item of which he or she is aware.

### **Insider trading:**

Insider trading refers to the purchase or sale of a security while in possession of “material,” “non-public” information relating to the security.

### **Material facts:**

The materiality of a fact depends upon the circumstances. A fact is considered “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where the fact is likely to have a significant effect on the market price of the security.

Examples of material information include (but are not limited to) information concerning:

- dividends;
- corporate earnings or earnings forecasts;
- possible mergers or acquisitions;
- tender offers or dispositions;
- major new products or product developments;
- important business developments such as major contract awards or cancellations;
- developments regarding strategic collaborators or the status of regulatory submissions;
- management or control changes;
- significant litigation or regulatory actions;
- significant borrowing or financing developments including pending public sales or offerings of debt or equity securities;
- defaults on borrowings; bankruptcies; and
- any knowledge regarding a significant cybersecurity incident experienced by the Company.

The above list is only illustrative; many other types of information may be considered “material,” depending on the circumstances. The materiality of information is subject to reassessment on a regular basis.

**Non-public information:**

Information is “non-public” if it has not been disclosed to the public generally. For information to be considered public, there should be some evidence that it has been widely disseminated and that the investing public had time to absorb the information. Information shall be considered non-public until after the second business day after the information is publicly released, such as by press release or widely circulated public disclosure documents filed with SEC.

**Officer:**

Officer shall mean Chief Executive Officer, Chief Financial Officer, Company Secretary, Business Heads, Financial Reporting function, MIS function and such other functions as may be designated by the Group Chief Financial Officer and includes those persons determined to be executive officers by the Company. Officers of the Company's parent(s) or subsidiaries shall be deemed officers of the Company.

**Tipping:**

No Insider of the Company shall disclose or pass on (“tip”) material non-public information to any other person, including a family member or friend, nor shall such person make recommendations or express opinions on the basis of material non-public information as to trading in the Company’s securities.

**Securities:**

“Securities” include not only shares, bonds, notes, and debentures, but also options, warrants, American Depositary Receipts and similar instruments.

**D) U.S. SECTION 16(a) REPORTING FOR FOREIGN PRIVATE ISSUERS (FPIs)**

Effective March 18, 2026, directors and officers of the Company, as a foreign private issuer with equity securities listed on a U.S. national securities exchange, shall be subject to the beneficial ownership reporting requirements of Section 16(a) of the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

Accordingly, each Director and certain executive officers of the Company shall be required to file reports with the U.S. Securities and Exchange Commission (“SEC”) disclosing beneficial ownership of, and transactions in, the Company’s equity securities, including reports on Form 3, Form 4 and Form 5, in accordance with applicable SEC rules, timelines and electronic filing requirements. For the purpose of clarity:

- (a) **Form 3** shall be filed to report initial beneficial ownership of the Company’s equity securities upon first becoming subject to Section 16(a), including as of March 18, 2026, or within the time period prescribed by applicable SEC rules;
- (b) **Form 4** shall be filed to report changes in beneficial ownership resulting from transactions in the Company’s equity securities, within the time period prescribed by applicable SEC rules (generally two business days following the date of execution of the transaction);
- (c) **Form 5**, if applicable, shall be filed to report certain transactions or holdings not previously reported on Form 4, within the time period prescribed by applicable SEC rules.

For the avoidance of doubt, beneficial owners of more than ten percent (10%) of the Company’s equity securities who are not also directors or officers are generally not subject to Section 16(a) reporting obligations under U.S. law for foreign private issuers. Directors and executive officers will receive a separate notice summarizing the obligations and restrictions of Section 16 reporting periodically.

## E) GUIDELINES TO PROHIBIT INSIDER TRADING

No Insider shall purchase or sell any type of security while in possession of material, non-public information relating to the security, whether the issuer of such security is the Company or any other company. Additionally, **no Insider shall purchase or sell any security of the Company during the period beginning the last day of the financial quarter and continue until two days after the announcement of the results for such quarter or during any other trading suspension period declared by the Company.**

These prohibitions do not apply to:

- purchases of the Company's securities from the Company or sales of the Company's securities to the Company;
- exercises of stock options or other equity awards or the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations in a manner permitted by the applicable equity award agreement, or vesting of equity-based awards, that in each case do not involve a market sale of the Company's securities (the "cashless exercise" of a Company stock option through a broker does involve a market sale of the Company's securities, and therefore would not qualify under this exception);
- bonafide gifts of the Company's securities; or
- purchases or sales of the Company's securities made pursuant to any binding contract, specific instruction or written plan entered into while the purchaser or seller, as applicable, was unaware of any material, non-public information and which contract, instruction or plan (i) meets all requirements of the affirmative defense provided by Rule 10b5-1 ("Rule10b5-1") promulgated under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), (ii) was pre-cleared in advance pursuant to this Policy and (iii) has not been amended or modified in any respect after such initial pre-clearance without such amendment or modification being pre-cleared in advance pursuant to this Policy.

No Insider shall directly or indirectly communicate (or tip) material, non-public information to anyone outside the Company under any circumstances (except in accordance with the Company's policies regarding the protection or authorized external disclosure of Company information), or to anyone within the Company other than on a need-to-know basis.

## F) U.S. INSIDER REPORTING COMPLIANCE:

In addition to the trading restrictions set out in this Policy, Directors and executive Officers of the Company shall comply with applicable U.S. SEC insider reporting obligations under Section 16(a) of the U.S. Securities Exchange Act of 1934, including timely filing of Forms 3, 4 and 5 in respect of transactions in the Company's equity securities.

Compliance with Section 16(a) reporting requirements is separate from and in addition to compliance with blackout periods, pre-clearance requirements and other restrictions under this Policy.

## G) PROCEDURE TO PREVENT INSIDER TRADING

### Pre-Clearance of Trades:

Directors and Officers must pre-clear all trades in the Company's stock at all times, with the Company's Group Chief Financial Officer. If you receive clearance for trades, you must complete your purchase or sale within 72 hours of receipt of the clearance.

### Coordination with U.S. SEC Filings:

Directors and executive officers shall ensure that any trade in the Company's securities that is subject to pre-clearance under this Policy is also reviewed for U.S. SEC Section 16(a) reporting purposes.

Directors and executive officers must coordinate with the Company's Group Chief Financial Officer and/or designated compliance or legal personnel to facilitate the timely preparation and filing of Forms 3, 4 or 5, as applicable, with the U.S. Securities and Exchange Commission.

**Blackout Period:**

Additionally, no Insider shall purchase or sell any security of the Company during the period beginning the last day of the financial quarter and continue until two days after the announcement of the results or during any other trading suspension period declared by the Company except for the non-applicability provisions as illustrated above in guidelines for prohibition of insider trading.

**Exception to Blackout Period:**

Exceptions to the Blackout period may be approved only by the Group Chief Financial Officer or, in the case of exceptions for directors, the Board of Directors.

**Post-Termination Transactions:**

Except for pre-clearance requirement, this Policy continues to apply to transactions in the Company's securities even after termination of service with the Company. If an individual is in possession of material, non-public information when his or her service terminates, that individual may not trade in the Company's securities until that information has become public or is no longer material.

**Termination of service with the Company shall not relieve a former Director or Officer from any continuing or residual reporting obligations under Section 16(a) of the U.S. Securities Exchange Act of 1934 with respect to transactions that occurred during, or in connection with, his or her period of service with the Company.**

**H) ADDITIONAL PROHIBITIONS****Short sales:**

No Insider may engage in short sales of Company securities. A short sale is the sale of a security that the seller does not own at the time of the trade.

**Publicly Traded Options:**

A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that the Insider is trading based on inside information. Transactions in options also may focus the trader's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls, or other derivative securities, on an exchange or in any other organized market, are prohibited.

**Hedging Transactions:**

No Insider may engage in transactions in puts, calls or other derivative instruments that relate to or involve Company securities. Such transactions are, in effect, bets on short-term movements in the Company's stock price and therefore create the appearance that the transaction is based on non-public information.

**Pledging or trading on margin:**

No Insider may hold Company securities in a margin account or pledge (or hypothecate) Company securities as collateral for a loan. Margin sales or foreclosure sales may occur at a time when the insider is aware of material non-public information or otherwise is not permitted to trade in Company securities.

**Trading in securities of other companies:**

No Insider may, while in possession of material non-public information about any other public company gained in the course of employment with the Company, (a) trade in the securities of the other public company, (b) "tip" or disclose such material non-public information concerning that company to anyone, or (c) give trading advice of any kind to anyone concerning the other public company.

## **Derivative Transactions and U.S. Reporting:**

To the extent any transaction in derivative securities, equity-linked instruments or similar arrangements relating to the Company's securities would otherwise be reportable under Section 16(a) of the U.S. Securities Exchange Act of 1934, such transaction shall remain prohibited except as expressly permitted under this Policy and applicable law, and shall be subject to applicable U.S. SEC reporting requirements.

## **I) PRE-ARRANGED TRADING PLANS**

### **Overview:**

Under Rule 10b5-1 of the Securities Exchange Act of 1934, an individual has an affirmative defense against an allegation of insider trading if he or she demonstrates that the purchase, sale or trade in question took place pursuant to a binding contract, specific instruction or written plan that was put into place before he or she became aware of material non-public information. Such contracts, irrevocable instructions and plans are commonly referred to as Rule 10b5-1 plan.

In order to take advantage of these defenses:

- First, the trading plan must be adopted in good faith, or take effect, when the trader is not aware of any material non-public information about the Company.
- Second, the plan must either (1) expressly specify the amount, price, and date of trades; (2) provide a written formula or algorithm, or computer program, for determining amounts, prices, and dates; or (3) give all discretion regarding the power to execute securities transactions pursuant to the plan to a third party who does not possess material nonpublic information.
- Third, the trader must demonstrate that the purchase or sale that occurred was pursuant to the plan. A purchase or sale would not be pursuant to the plan if, among other things, the trader altered or deviated from the plan or entered into or altered a corresponding or hedging transaction or position with respect to those securities.

Rule 10b5-1 plans have the obvious advantage of protecting against insider trading liability. However, they also require advance commitments regarding the amounts, prices and timing of purchases or sales of Company securities and thus limit flexibility and discretion. In addition, once a Rule 10b5-1 plan has been adopted, it is generally not permissible to amend or modify such plan.

### **Pre-requisites:**

### **Prior approval:**

All trading plans must be reviewed and approved by the Group Chief Financial Officer before they are implemented.

### **Material non-public information:**

An insider may enter into a trading plan only when he or she is not in possession of material, non-public information, and only when the trading window period is open. Trading Window period is a period other than the Blackout period.

**Cooling-off period:**

There is a minimum “cooling-off period” between the date a new Rule 10b5-1 Plan is adopted or modified and when trading under the plan commences.

- **Directors and Officers:**

The applicable cooling-off period is the later of (i) 90 days after the adoption or modification of the trading plan or (ii) two business days following the disclosure of financial results in Form 20-F or Form 6-K for the fiscal quarter in which the plan was adopted or modified (subject to a maximum of 120 days after adoption of the plan).

- **Persons other than Directors and Officers:**

The applicable cooling-off period is 30 days after the adoption or modification of the trading plan.

**Plan termination or cancellation:**

- **Plan termination:**

Any Director or Officer who wishes to implement, amend or terminate a qualified Rule 10b5-1 plan must first have the plan (or any amendment or proposal to terminate) pre-approved by the Group Chief Financial Officer. Further, any modification or change to the amount, price, or timing of the purchase or sale of the securities (or a modification or change to a written formula or algorithm, or computer program that affects the amount, price, or timing of the purchase or sale of the securities) underlying a trading plan is a termination of such plan and the adoption of a new plan which triggers a new cooling-off period.

- **Cancellation / suspension:**

Once a Rule 10b5-1 plan is implemented, a Director or Officer may not suspend or cancel the plan without the Group Chief Financial Officer’s approval.

**No overlapping plans:**

An Insider is prohibited from having more than one Rule 10b5-1 Plan for open market purchases or sales of securities of the Company.

**Restrictions on Single Trade Plans:**

An Insider may not have more than one single-trade Rule 10b5-1 Plan during any 12-month period.

**Directors and Officers Certification:**

Each director and officer who adopts a Rule 10b5-1 plan to include a representation in the plan certifying that at the time of the adoption of a new or modified Rule 10b5-1 plan that:

- (i) he or she is not aware of any material non-public information about the issuer or securities; and
- (ii) he or she is adopting the Rule 10b5-1 plan in good faith and not as a plan or scheme to evade the prohibitions of Rule 10b-5.

**J) RULE 10b5-1 PLANS AND SECTION 16(a) REPORTING**

Rule 10b5-1 trading plans adopted by Directors and Officers must be structured and administered so as to permit compliance with Section 16(a) reporting requirements, including the timely filing of Form 4 for transactions executed pursuant to such plans.

The adoption, modification, termination or suspension of a Rule 10b5-1 plan by a Director or Officer may itself be subject to disclosure or reporting obligations under applicable U.S. securities laws.

Sify Technologies Limited  
Certification of Chief Executive Officer  
Pursuant to Section 302 of  
The Sarbanes-Oxley Act of 2002

I, Raju Vegesna, certify that:

1. I have reviewed this annual report on Form 20-F of Sify Technologies Limited.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Company and have:
  - a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, 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;
  - c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosures controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: June 26, 2026

/s/ Raju Vegesna

Name: Raju Vegesna

Title: CEO, Chairman & Managing Director

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Sify Technologies Limited  
Certification of Chief Financial Officer  
Pursuant to Section 302 of  
The Sarbanes-Oxley Act of 2002

I, MP Vijay Kumar, certify that:

1. I have reviewed this annual report on Form 20-F of Sify Technologies Limited.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Company and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, 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;
  - c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosures controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: June 26, 2026

/s/ M P Vijay Kumar

Name: M P Vijay Kumar

Title: Executive Director & Chief Financial Officer

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**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.**

I, Raju Vegesna, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 20-F of Sify Technologies Limited for the year ended March 31, 2026, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Annual Report on Form 20-F fairly presents, in all material respects, the financial condition and results of operations of Sify Technologies Limited.

Date: June 26, 2026

/s/ Raju Vegesna

Name: Raju Vegesna

Title: CEO, Chairman & Managing Director

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference to any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.**

I, MP Vijay Kumar, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 20-F of Sify Technologies Limited for the year ended March 31, 2026, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Annual Report on Form 20-F fairly presents, in all material respects, the financial condition and results of operations of Sify Technologies Limited.

Date: June 26, 2026

/s/ M P Vijay Kumar

Name: M P Vijay Kumar

Title: Executive Director & Chief Financial Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference to any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To  
The Board of Directors  
Sify Technologies Limited

We consent to the incorporation by reference in the Registration Statement No. 333-208648 on Form S-8 of our reports dated June 24, 2026 relating to the consolidated financial statements of Sify Technologies Limited and the effectiveness of Sify Technologies Limited's internal control over financial reporting appearing in the Annual Report on Form 20-F for the year ended March 31, 2026.

/s/ Manohar Chowdhry & Associates

**Manohar Chowdhry & Associates**

Chartered Accountants

Chennai, India

June 24, 2026

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**SIFY TECHNOLOGIES LIMITED**  
**(CIN: U72200TN1995PLC050809)**

Registered Office: Second Floor, TIDEL Park, No 4, Rajiv Gandhi Salai,  
Taramani, Chennai 600 113, India.

Phone: +91 44 2254 0770, Fax: +91 44 2254 0771

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**SIFY TECHNOLOGIES LIMITED**

**Clawback Policy**

The Board of Directors (the “Board”) of Sify Technologies Limited (the “Company”) believe that it is in the best interest of the Company and its shareholders to adopt this Clawback Policy (the “Policy”). The policy provides for recovery of certain Incentive-Based Compensation in the event of an Accounting Restatement (as defined below). This Policy is designed to comply with, and shall be interpreted to be consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), Rule 10D-1 promulgated under the Exchange Act (“Rule 10D-1”).

**1. Definitions:**

“**Accounting Restatement**” means an accounting restatement of the Company’s financial statements due to the material noncompliance with any financial reporting requirement under the securities laws, including any accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

“**Executive Officer**” means the Company’s current and former executive officer, as determined in accordance with the definition of executive officer set forth in Rule 10D-1. Rule 10D-1 defines executive officer as the company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the company. Executive Officers of the subsidiaries would be deemed executive officers of the Company if they perform such policy making functions of the Company.

“**Incentive-Based Compensation**” means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a financial reporting measure.

**2. Recovery Period:**

The Incentive-Based Compensation subject to clawback is the Incentive-Based Compensation received by a current or former Executive Officer during the three completed fiscal years immediately preceding the date that the Company is required to prepare an Accounting Restatement as described in section 1 above, provided that the person served as an Executive Officer at any time during the performance period applicable to the Incentive-Based Compensation in question.

The “date on which the Company is required to prepare an Accounting Restatement is the earlier to occur of (a) the date the Board concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement or (b) the date a Court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement, in each case regardless of if or when the restated financial statements are filed.

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**SIFY TECHNOLOGIES LIMITED**

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**3. Erroneously Awarded Compensation:**

The amount of Incentive-Based Compensation subject to this Policy (“Erroneously Awarded Compensation”) is the amount of Incentive-Based Compensation received that exceeds the amount of Incentive Based-Compensation that otherwise would have been received had it been determined based on the restated amounts and shall be computed without regard to any taxes paid, as determined by the Compensation / Nomination and Remuneration Committee of the Board (“the Committee”).

**4. Method of Recoupment:**

The Company is authorized and directed pursuant to this Policy to recoup Erroneously Awarded Compensation in compliance with this Policy unless the Committee has determined that recovery would be impracticable solely for the following limited reasons:

- i.** The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered;
- ii.** Recovery would violate home country law of the Company and additional conditions are met;
- iii.** Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company.

**5. Committee Decisions:**

The Committee shall have the sole authority to construe and interpret this Policy and to make all determinations required to be made pursuant to this Policy. Decisions of the Committee with respect to this Policy shall be final, conclusive and binding on all Executive Officers subject to this policy, unless determined to be an abuse of discretion.

**6. No Indemnification of Executive Officer:**

Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement with any Executive Officer that may be interpreted to the contrary, the Company shall not indemnify any Executive Officer against the loss of any Erroneously Awarded Compensation, including any payment or reimbursement for the cost of third-party insurance purchased by any Executive Officer to fund potential clawback obligations under this Policy.

**7. Agreement to Policy by Executive Officers:**

The Committee shall take reasonable steps to inform Executive Officers of this Policy and obtain their agreement to this Policy.

**8. Review and Amendment:**

This Policy will be reviewed periodically, and the Committee may recommend amendments as necessary to ensure ongoing compliance with NASDAQ listing standards and any other applicable laws or regulations.

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**SIFY TECHNOLOGIES LIMITED**

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**9. Other Recoupment Rights:**

The Board intends that this Policy shall be applied to the fullest extent of the law. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company under applicable law or pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

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