digital@core

Sify Infinit Spaces Limited

Annual Report 2021-22

Contents

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Board of Directors

Sify Infinit Spaces Limited

C R Rao
Whole Time Director
Raju Vegesna
Director
Vegesna Bala Saraswathi
Director

Statutory Auditors
Manohar Chowdhry & Associates
Chartered Accountants
Chennai

V Ramanujan
Chief Financial Officer

D J Poornasandar
Company Secretary

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

Bankers
State Bank of India
Axis Bank Ltd
Yes Bank Ltd
HDFC Bank Ltd
Kotak Mahindra Bank Ltd
IndusInd Bank Ltd
Standard Chartered Bank
IDFC First Bank Ltd

DIRECTORS' REPORT

Dear Members,

Your Directors hereby submits the report of the business and operations of your Company along with the audited financial statements, for the financial year ended March 31, 2022.

FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

₹ in lakhs

Particulars	2021-22	2020-21
Revenue from operations	75,821	56,287
Earnings Before Finance Costs, Tax, Depreciation & amortization, Other Income and exceptional items	32,655	24,835
Depreciation and Amortization	15,367	13,017
Earnings Before Finance Costs & Tax	17,288	11,818
Finance Costs	5,512	4,725
Other Income (Including Forex Gain, Gain on sale of PPE)	512	250
Other Expenses (Including Forex Loss, Loss on Sale of PPE)	-	97
Profit Before Tax	12,288	7,246
Profit After Tax	8,575	7,890

BUSINESS REVIEW

Business strategy and Overview:

The decision of M/s Sify Technologies Limited (STL), the Holding Company to create a subsidiary for the Data Center business, M/s Sify Infinit Spaces Limited (SISL) has been endorsed by the market evolution and the tailwinds imposed on by the pandemic.

Aiding the demand has been concrete regulatory measures towards treating Data Center as an infrastructure business and the policy framework around a set of laws governing data generation and storage within the country.

A combination of the above factors and the long-standing reputation of the country as an economically viable geography witnessed an estimated absorption of 116 MW during 2021, a 14% y-o-y growth, with hyper-cloud players accounting for 69% of this absorption

Your company has actively kept abreast of the demand by identifying new locations for data centers, commissioning additional capacity in existing ones and courting new hyperscale demand from the market. This momentum has been able to attract value partners like Kotak who share Your company's vision and have jointly invested to build out the largest portfolio of Data Centers in the country.

As per a recent report by JLL, The Indian data centre industry is expected to add 804 MW of capacity by 2023-24. In physical space terms, that translates to fresh capacity of 9.7 mn sqft. Capacity expansion by incumbent and incoming players will push Indian DC industry to cross 1369 MW by the Year 2024.

Your Company is also seized of the recent winds fanning the adoption of the renewable energy in the Data Center space, given the carbon footprint the industry will create. In Your Company's efforts to be part of the solution, Your Company has signed up with Vibrant Energy to procure 231 MW of renewable energy of which 67MW has already been commissioned.

In being an early adopter of renewable sources of energy, Your Company seeks to become a bellwether for business vertical for Data Centers in the country.

At the end of the current financial year, SISL has commissioned a total capacity of 101.8 MW. Currently, Your Company is expanding its Data Center capacity with Green Field projects at Mumbai, Noida and Chennai

Technology Trends

The Data Center industry has seen the most aggressive ramp up in recent times aided by policy measures, digital adoption and the geographic benefits of India as a destination. According to a recent report by Arizton, the Data Center market to be worth $10.09 Billion by 2027.

5 key trends will drive this adoption in the Indian market.

i) Small Data and the importance of Edge data centers

Edge computing processes data locally fuelling the need for low latency applications and on the other hand, these edge devices are connected to colocation providers. We will see huge growth in devices using small data capabilities with recent developments in self-driving cars, industrial automation, internet of things, and wearable devices.

ii) Hyper-scalability of Data Centers

According to Global Market Insights, the Asia-Pacific data center market is expected to show a YoY growth of 24%. There will be an increase in demand for hyperscale data centers as the demand for data and data localization is rising. Mumbai and Chennai will be leading data center hubs owing to power supply, undersea cablings, and a large user base.

iii) AI and Automation to ease human dependency

AI and machine learning helped in remote management and monitoring of the DC systems and automation helped in managing infrastructure physically using robotics. With AI and automation being integrated into data center facilities, the increased demand for data, data centers are scaling at a rate that will soon bypass the managing capabilities of human staff.

iv) Data Center Remote Infrastructure Management

RIM includes remote monitoring of security and network services, desktop administration, database management, and server management. Developments of RIM began in pandemic and now it's reshaping the DC industry.

v) The case for Sustainable Data Centers

'Going Green' is now more than just an industrial objective but is being aggressively adopted to achieve the aim of negative carbon footprints. Data center service providers and businesses are examining energy efficiency, water usage, and waste output generated. Data Centers are moving beyond Power Usage Effectiveness (PUE) to Water Usage Effectiveness (WUE) which a sizable number of data centers adopting water as the cooling medium.

TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves for the period under review.

DIVIDEND

The Board of Directors of your company, after considering the relevant circumstances has decided that it would be prudent, not to recommend any Dividend for the year under review.

CHANGE IN NATURE OF BUSINESS:

The Company is currently engaged in the business of operating Data Centers. There is no change in nature of the business during the year under review.

DETAILS AND STATUS OF ACQUISITION, MERGER, EXPANSION, MODERNIZATION AND DIVERSIFICATION

During the year under review, your Directors had approved the merger of M/s Print House (India) Private Limited with the Company and the Company is in the process of filing an application with Hon'ble National Company Law Tribunal. Chennai.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

CAPITAL AND DEBT STRUCTURE

Change in authorized capital of the Company

During the under review, the Company has increased its authorized capital from ₹ 550 Crores to ₹ 1,000 Crores. The authorised, issued, subscribed and paid-up capital of your Company as the end of the financial year is as follows:

Particulars	Amount (in ₹)
Authorised Share Capital	
78,00,00,000 Equity shares of ₹ 10/- Each	780,00,00,000
22,00,00,000 Preference shares of ₹ 10/- Each	220,00,00,000
TOTAL	1000,00,00,000
Issued, Subscribed and Paid-up Share Capital	
50,50,00,000 Equity shares of ₹ 10/- Each	505,00,00,000
TOTAL	505,00,00,000

ISSUE OF COMPULSORILY CONVERTIBLE DEBENTURE

During the year the Company has issued the following Compulsorily Convertible Debentures and the details are given below:

1) Issue of Compulsorily Convertible Debentures to M/s Kotak Special Situation Fund (KSSF)

Pursuant to the Debenture Subscription Agreement (DSA) entered with M/s. Kotak Special Situation Fund, the Company has issued and allotted 4 Crore Compulsorily Convertible Debentures of ₹ 100/- each as follows:

Particulars	No. of CCD	Face Value	Paid-up value	Paid-up value
Kotak Special Situation Fund - Series 1 CCDs	2,00,00,000	100	100	200,00,00,000
Kotak Special Situation Fund - Series 2 CCDs	2,00,00,000	100	1	2,00,00,000
TOTAL				**202,00,00,000**

The CCD has been issued with a put option that may be exercised by M/s. Sify Technologies Limited. The details of the allotment are as follows

Particulars	Remarks
Date of issue and allotment	February 01, 2022
Method of allotment	Preferential Allotment
Issue Price	₹ 100 per Debenture
Conversion price	based on the EBITDA of the Next Financial Year at the agreed multiple
Number of shares allotted or to be allotted in case the right or option is exercised by all the holders of such securities	
Number of shares or securities allotted to the promoter group (including shares represented by depository receipts)	NIL
In case, shares or securities are issued for consideration other than cash, a confirmation that price was determined on the basis of a valuation report of a registered valuer	The CCD is issued for cash, hence the disclosure is not applicable.
Coupon Rate	6%
Maturity Date	October 1, 2031

2) Issue of Compulsorily Convertible Debentures to M/s Sify Technologies Limited (STL)

Pursuant to the Debenture Subscription Agreement (DSA) entered with M/s. Sify Technologies Limited, the Company has issued and allotted 1 Crore Compulsorily Convertible Debentures (CCDs) of ₹ 100/- each amounting to ₹ 100 Crore:

The particulars of CCDs are as follows:

Particulars	Remarks
Date of issue and allotment	March 28, 2022
Method of allotment	Preferential Allotment
Conversion price	based on the EBITDA of the Next Financial Year at the agreed multiple
Number of shares allotted or to be allotted in case the right or option is exercised by all the holders of such securities	
Number of shares or securities allotted to the promoter group (including shares represented by depository receipts)	The entire allotment was made to M/s Sify Technologies Limited, the Holding Company.
In case, shares or securities are issued for consideration other than cash, a confirmation that price was determined on the basis of a valuation report of a registered valuer	The CCD is issued for cash, hence the disclosure is not applicable.
Coupon Rate	6%
Maturity Date	March 27, 2032

OTHER ALLOTMENTS

Your Company has not issued any Equity Shares with Differential Rights, Sweat Equity Shares, warrants nor did it Buy back any Shares during the financial year under review.

Employee Stock Option:

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

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

Transfer of business effective April 01, 2020:

Pursuant to the Business Transfer Agreement (BTA) entered with Sify Technologies Limited, the holding company, your company has acquired the Data Centre business along with the assets and liabilities relating to the said business from the holding company.

The banking limits, consisting of both long term and short term borrowings, have been bifurcated from the parent entity to the company during the year.

The assets transfer, including leased assets, from Parent to the company is in the advanced stage of completion.

CREDIT RATING

The leading rating agencies CARE and ICRA assigned the Long-term Rating of CARE A+/ ICRA A+ respectively for the Long-Term borrowings of the company.

The rating Agencies CARE and ICRA assigned CARE A1+/ ICRA A1+ respectively for the short-term borrowings of the company.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Directors:

The following are the list of Directors as on date of the Report.

1. Mr Vegesna Ananta Koti Raju - Director
2. Ms Vegesna Bala Saraswathi - Director
3. Mr C R Rao - Whole Time Director

b) Retirement by rotation

Mr Raju Vegesna, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Your Directors recommend his re-appointment.

c) Independent Directors & Committee

Your Company, being a Wholly owned subsidiary of M/s. Sify Technologies Limited, the provisions of Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 relating to appointment of Independent Directors and formation of Committees as prescribed under this rule is not applicable.

d) Key Managerial Personnel

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

1. Mr. C R Rao - Whole Time Director
2. Mr V Ramanujan - Chief Financial Officer
3. Mr D J Poornasandar - Company Secretary

e) Observer on the Board

Pursuant to the issuance of CCD to Kotak Special Situations Fund (KSSF) and as per the provisions of Debenture Subscription Agreement, your company has appointed Mr Subramanian Sriniwasan as Observer on the Board.

Statement of Performance Evaluation by the Board

The Board of Directors of your company, basis the procedures (through questionnaires, One to One Meetings and discussion with all the stakeholders), have evaluated its own performance and Individual Directors.

Board Meetings and attendance of Directors

During the period under review, the Board of Directors of your Company met 12 times. The details of the meetings and the attendance of the Directors are as follows:

Quarter	Meeting No.	Date of Board Meeting	No. of Directors entitled to attend the meeting	No. of Directors attended the meeting
Q1	1	May 7, 2021	3	3
	2	May 14, 2021	3	3
Q2	3	July 30, 2021	3	3
Q3	4	October 28, 2021	3	3
	5	December 15, 2021	3	3
	6	December 24, 2021	3	3
	7	December 29, 2021	3	3
Q4	8	January 24, 2022	3	3
	9	February 01, 2022	3	3
	10	March 9, 2022	3	3
	11 & 12	March 28, 2022	3	3

Details of Remuneration to Directors

Your Company being an Unlisted Public Limited Company, Section 197 (12) and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable. Hence the disclosure is not furnished.

Directors' responsibility statement

Your Directors state:

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

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

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

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

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

Adequacy of Internal Financial Controls

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

AUDITORS

a. Statutory Auditors:

Name and Address

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

In terms of Section 139 of the Companies Act, 2013, the members had appointed them as Statutory Auditors of the Company for a term of five years at the Fourth Annual General Meeting held on August 16, 2021 to hold office from the conclusion of that Annual General Meeting until the conclusion of Annual General Meeting to be held in the year 2026 at a remuneration recommended by the Board of Directors.

b. Secretarial Auditor:

Name and address:

Mr V Ramasubramanian, Practising Company Secretary (CoP 11325), Flat A-7, Third Floor, Poes Pride, No. 103, Poes Road, Teynampet, Chennai – 600 018

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr V Ramasubramanian was appointed as the Secretarial Auditor of the Company by the Board of Directors of Companies at their meeting held on May 07, 2021 to conduct the Secretarial Audit for the financial year ended March 31, 2022.

The Secretarial Audit Report in Form MR-3 is annexed herewith as **Annexure-A.**

DETAILS OF SUBSIDIARY/ JOINT VENTURES / ASSOCIATE COMPANIES AND PERFORMANCE THEREOF

Your company does not have any Subsidiary / Joint Ventures / Associate Companies. Hence reporting under this clause does not arise.

DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2012 forms part of the Notes to the Financial Statements provided in the annual Report.

M/s Sify Technologies Limited (STL), the Holding company had made an Investment of ₹ 22.50 crores in M/s Tasoula Energy Private Limited (TEPL) for captive consumption through Power Purchase Agreement. Pursuant to the transfer of Data Center Business from STL, the Company had entered Novation Agreement with STL and TEPL for transferring the Investment into the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has not entered into any contracts or arrangements with related parties referred in Section 188(1) of the Companies Act, 2013. Hence, disclosure in Form AOC-2 is not applicable.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Composition of CSR Committee, CSR Policy of the Company and the details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed in **Annexure - B** to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

The particulars prescribed under clause (m) of sub section (3) of Section 134 of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014 of the following:

i. **Conservation of Energy & Technology Absorption**

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

Your Company had tied up with private power for Bangalore DC under Captive Scheme; Also, the Company has signed a Private Power Purchase Agreement (PPA) for 67 MWp capacity of solar plant for its Mumbai DC. The Company further entered into PPA for additional capacities.

There was no technology absorption during the year under review.

ii. **Foreign Exchange Earnings and Outgo**

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

Foreign Exchange Inflow: ₹ 2,247 lakhs

Foreign Exchange Outgo: ₹ 7,223 lakhs

RISK MANAGEMENT

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

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

VIGIL MECHANISM

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

i. receiving, retaining and treating complaints received;

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

iii. reporting genuine concerns by the Employees and Directors;

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

DISCLOSURE OF ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the regulators or courts or tribunals Impacting the going concern status and company's operations in future.

MAINTENANCE OF COST RECORDS

The Central Government has not prescribed the maintenance of Cost Records under Section 148(1) of the Companies Act, 2013 for the Company.

INTER-COMPANY TRANSACTIONS

Particulars of transactions entered between the Group Companies during the Financial Year 2021-22 are listed below:

Sify Technologies Limited	**Amount in ₹ Lakhs**
Services rendered	303
Lease rentals paid	1,420
Revenue transfer*	26,192
Expenses transfers / Reimbursement*	7,820
Interest paid on Loan Received	21
Interest paid on CCDs	6
Loan Received	900
Issue of CCDs	10,000
Outstanding balances	
Amount payable	541
Loan Outstanding	900
Security Deposit	345
Sify Digital Services Limited	**Amount in ₹ Lakhs**
Rendering of services	574
Expenses transfer*	288
Amount receivable	137
Print House (India) Private Limited	**Amount in ₹ Lakhs**
Expenses transfers / Reimbursement	471
Advances Received	1,665
Amounts Payable	1,743

SECRETARIAL STANDARDS

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

ANNUAL RETURN

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

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

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

ACKNOWLEDGEMENT

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

For and on behalf of Board of Directors

Hyderabad	***C R Rao***	***Raju Vegesna***
April 18, 2022	Whole Time Director	Director

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief Outline on CSR Policy of the Company:

   i. Sify Infinit Spaces Limited (SISL) believes in alignment of its vision and through its CSR initiatives, to enhance value and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large, more specifically for the deprived and underprivileged persons.

   ii. The CSR Policy encompasses the company's philosophy for contributing to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large, is titled as the 'Sify CSR Policy'.

2. Composition of the CSR Committee

   The Board of Directors at their meeting held on July 30, 2021 had constituted the Corporate Social Responsibility Committee with the following members:

   i. Mr C R Rao - Chairman

   ii. Mr Raju Vegesna - Member

   The Committee had met once during the year on July 30, 2021 to adopt the CSR policy of the Company and laid down the annual action plan to be complied by the Company for spending its CSR amount.

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

   As the Company does not have website, disclosure under this clause does not arise.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

   Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

   Nil

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

Financial Year	Net Profit before exceptional items in ₹ In Lakhs
2020-21	7,741
2019-20	3
2018-19	4
Total	7,748

   Average Net Profit = ₹ 2583 Lakhs

7. A) 2% of average net profit of the Company as per Section 135(5): ₹ 51.65 lakhs

   B) Surplus arising out of the CSR projects or programmes or activities of the

   Previous Financial Years: **Nil**

   C) Amount required to be set off for the Financial Year, if any: **Nil**

   D) Total CSR obligation for the Financial Year (7A+7B-7C): ₹ 51.65 lakhs

8. A) CSR amount spent or unspent for the Financial Year.

CSR Amount Spent for the Financial Year in ₹	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the fund	Amount.	Date of Transfer
51,70,000	Not Applicable				

B) Details of CSR Amount spent against **ongoing Projects** for the Financial Year:

Not Applicable

C) CSR Amount spent against other than ongoing Projects for the Financial Year:

Amount spent as on March 31, 2022:

Particulars	**Amount in ₹**
Voluntary Health Services Trust	5,00,000
Shree Anand Charitable Trust	25,00,000
Raju Vegesna Foundation	21,70,000
Total (A)	51,70,000

The details are given as annexure.

D) Amount spent in Administrative Overheads: **Nil**

E) Amount spent on impact Assessment, if applicable: **Not Applicable**

F) Total amount spent for the Financial Year (8B+8C+8D+8E): ₹ 51,70,000/-

G) Excess amount for set off if any: **Nil**

9. a) Details of Unspent CSR amount for the preceding three Financial Years: **Nil**

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding Financial Year(s): **Not Applicable**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable**

a) Date of creation or acquisition of the capital asset(s)

b) Amount of CSR spent for creation or acquisition of capital asset.

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason, if the Company has failed to spend 2% of the average net profit as per Section 135(5).

C R Rao
Chairman

Raju Vegesna
Member

S. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Area	Location of the Project	Amount spent for the project (in ₹)	Mode of Implementation - Direct or Indirect	Mode of implementation through implementing agency
1.	NA	Item 1 of the schedule promoting health care	Local Area - Chennai	Taramani	5,00,000	Direct	Direct contribution by the Company to M/s Voluntary Health Services, Chennai.
2.	NA	Item 2 of the schedule livelihood enhancement projects.	Outside the City - Mumbai	NA	25,00,000	Direct	Direct contribution to M/s Shree Anand Charitable Trust
3.	NA	Item 2 of the schedule livelihood enhancement projects.	Outside the City - Visakhapatnam	NA	21,70,000	Direct	Direct contribution to M/s Raju Vegesna Foundation

Hyderabad
April 18, 2022

C R Rao
Chairman

Raju Vegesna
Member

Form No MR-3

Secretarial Audit Report

For the Financial Year ended 31st March 2022

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

To

The Members

M/s Sify Infinit Spaces Limited

I have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to Good Corporate Practices by M/s Sify Infinit Spaces Limited (CIN: U74999TN2017PLC119607) (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate Conducts / Statutory Compliances and expressing my opinion thereon.

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

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

1. The Companies Act, 2013 (the Act) and the Rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder:

   As the Company's Equity Shares are not listed in any Stock Exchanges in India, the provisions of the SCRA and the Rules made thereunder is not applicable to the Company.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. During the year under review, there were no FDI into the Company or the Company has made any ODI or ECB and hence the provisions of Foreign Exchange Management Act (FEMA), 1999 and the Rules and Regulations made thereunder are not applicable to the Company.
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 and the various Regulations enacted under the said Act are not applicable to the Company as the Company's Equity Shares are not listed in any Stock Exchanges in India.
6. The Company has complied with the following applicable Laws:
   a) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
   b) The Employees State Insurance Act, 1948.
   c) The Maternity Benefit Act, 1961.
   d) The Payment of Bonus Act, 1965.
   e) The Payment of Gratuity Act, 1972.

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

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

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

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

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

I further report that:

i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director and Woman Director.

(ii) Constitution of Nomination and Remuneration Committee of the Board of Directors is not applicable to the Company as required under the provisions of Section 178 of the Companies Act, 2013 and the Rules made thereunder;

(iii) Constitution of Audit Committee of the Board of Directors is not applicable to the Company as required under the provisions of Section 177 of the Companies Act, 2013 and the Rules made thereunder;

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

During the year under review, the Company was required to spend ₹51.65 Lakhs and the Company has spent the entire amount for the projects recommended by the CSR Committee and approved by the Board of Directors in compliance with the provisions of the Act.

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

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

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

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

I further report that during the audit period:

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

However, during the year, the Company has issued and allotted 6% 4,00,00,000 Compulsorily Convertible Unsecured Debentures aggregating to ₹202,00,00,000/- (₹ Two Hundred Two Crores) to M/s Kotak Special Situations Fund - Series 1 & Series 2 in compliance with the provisions of Section 39 and 71 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014.

Further, the Company has also issued and allotted 6% 1,00,00,000 Compulsorily Convertible Unsecured Debentures of ₹100/- each for cash at par aggregating to ₹100,00,00,000/- (₹ One Hundred Crore) to M/s Sify Technologies Limited, the Holding Compnay, in compliance with the provisions of Section 39 and 71 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014.

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

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

a) The Company has created security both on the Movable and Immovable Properties of the Company for the various borrowings made, which were well within the limits approved by the shareholders by Special Resolution at the Extraordinary General Meeting held on December 24, 2021.

b) The Company has borrowed funds from Banks and Non-Banking Financial Companies, which were well within the limits approved by the shareholders by Special Resolution at the Extraordinary General Meeting held on December 24, 2021.

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

V Ramasubramanian
Company Secretary
ACS No: 5890
COP No: 11325
UDIN: A005890D000093142

Chennai
13th April 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Sify Infinit Spaces Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

S No.	Key Audit Matter	Auditor's Response
1	Valuation of Trade Receivables: The collectability of the Company's aged Trade Receivables and the valuation of allowance for impairment of Trade Receivables is a Key Audit Matter due to the judgement involved in assessing the recoverability. The Trade Receivables as at March 31, 2022 is INR 32,132 lakhs and Allowance for bad and doubtful debts charged in the Statement of Profit and Loss for the year ended March 31, 2022 is INR 1,003 lakhs (including bad debts written off INR 670 lakhs).	Principal Audit Procedures Performed: In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • We evaluated and tested the Company's processes for trade receivables, including the credit control, collection and provisioning processes. • We evaluated the management view point and estimates used to determine the allowance for bad and doubtful debts. • We have reviewed the ageing, tested the validity of the receivables, the subsequent collections of trade receivables, the past payment and credit history of the customer, disputes (if any) with customers and based on discussion with the Company's management (information and explanation provided by them) and evidences collected, we understood and evaluated the reason for delay in realisation of the receivables and possibility of realisation of the aged receivables.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Matters

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 19 (Contingent liabilities) to the standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 33 (a) (Derivative Financial instruments) attached to the Standalone financial statements;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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

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

K S Y Suryanandh
Partner
Membership No: 237830
UDIN: 22237830AIUTWX7834

Place: Hyderabad
Date : April 18, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

(i) (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in Note 1 and Note 3 to the standalone financial statements included in Property, Plant and Equipment and Right of Use Assets respectively are held in the name of the Company except the below mentioned title deeds of immovable properties, in the nature of leasehold land and buildings, which were acquired from Sify Technologies Limited ('Holding Company') pursuant to a Business Transfer Agreement ('BTA') dated January 28, 2021 with effect from April 1, 2020:

Description of Property	Gross carrying value as at March 31, 2022	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of Company
Airoli Facility - Leased Premises (Right of Use Assets)	60,19,31,934	Sify Technologies Limited ('STL')	Promoter - STL	2 years from FY 2020-21	Revised lease deeds have been executed between lessor and Company with effect from April 1, 2022
Vashi Facility - Leased Premises (Right of Use Assets)	13,54,33,160	Sify Technologies Limited ('STL')	Promoter - STL	2 years from FY 2020-21	In process of transferring the lease agreements
Rabale Tower 1 - Leased Land (Right of Use Assets)	25,23,37,960	Sify Technologies Limited ('STL')	Promoter - STL	2 years from FY 2020-21	In process of transferring the lease agreements
Rabale Tower 2 - Leased Land (Right of Use Assets)	9,87,31,118	Sify Technologies Limited ('STL')	Promoter - STL	2 years from FY 2020-21	In process of transferring the lease agreements

Description of Property	Gross carrying value as at March 31, 2022	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of Company
Rabale Tower 3 - Leased Land (Right of Use Assets)	49,99,74,354	Sify Technologies Limited ('STL')	Promoter - STL	2 years from FY 2020-21	In process of transferring the lease agreements
Rabale Tower 1 - Building (Property, Plant & Equipment)	74,44,30,985	Sify Technologies Limited ('STL')	Promoter - STL	2 years from FY 2020-21	In process of transferring the title deeds
Rabale Tower 2 - Building (Property, Plant & Equipment)	22,45,61,359	Sify Technologies Limited ('STL')	Promoter - STL	2 years from FY 2020-21	In process of transferring the title deeds
Rabale Tower 3 - Building (Property, Plant & Equipment)	1,51,74,50,193	Sify Technologies Limited ('STL')	Promoter - STL	2 years from FY 2020-21	In process of transferring the title deeds

(i) (d) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022. Hence, the requirement to report on clause 3(i)(d) of the Order is not applicable.

(i) (e) According to the information and explanations provided to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Hence, the requirement to report on clause 3(i)(e) of the Order is not applicable.

(ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable

(ii) (b) As disclosed in Note 15 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ 5 Crores in aggregate from banks and / or financial institutions during the year on the basis of security of current assets of the Company. During the year ending March 31, 2022, the Company was in the process of finalization of agreements with banks / financial institutions to transfer the term loans and working capital limits from Sify Technologies Limited ('Holding Company') to the Company consequent to the demerger effected vide the Business Transfer Agreement dated January 28, 2021 effective from April 01, 2020. According to the information and explanations provided to us and based on the examination of the records of the Company, for the quarter ending June 2021 and September 2021, a combined statement was filed by the Holding Company including the balances of the Company. Based on our examination of the records of the Company, the quarterly returns / statements filed by the Company for the quarter ending December 2021 with such banks and financial institutions are in agreement with the books of account of the Company. The returns for the quarter ending March 2022 were not filed by the Company at the time of finalising the audit.

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

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

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

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

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

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

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

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

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

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

- undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in the remittance of income-tax (tax deducted at source u/s. 194Q) due for the months of July 2021 and August 2021 aggregating to an amount of INR 3.35 lakhs; and
- no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) According to the information and explanations provided to us, there are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues which have not been deposited on account of any dispute. Hence, the requirement to report on clause 3(vii)(b) of the Order is not applicable.

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

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

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

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

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

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

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

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

(x) (b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the private placement of compulsorily convertible debentures during the year. The amount raised, have been used for the purposes for which the funds were raised except for idle / surplus funds amounting to INR 15,465 lakhs which were not required for immediate utilization and an amount of INR 10,000 lakhs of the same have been gainfully invested in liquid investments payable on demand. The maximum amount of idle / surplus funds invested during the year was ₹ 10,000 lakhs and the same was outstanding at the end of the year.

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

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

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

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

(xiii) According to the information and explanations provided to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable.

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

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

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

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

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

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

(xviii) The previous statutory auditors of the Company have resigned during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios disclosed in Note 40 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII to the Act in compliance with second proviso to section 135(5) of the Act. This matter has been disclosed in Note 35 to the financial statements.

(xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance with the provision to section 135(6) of the Act. This matter has been disclosed in Note 35 to the financial statements.

(xxi) The Company does not have any subsidiaries, joint venture or associates. Accordingly, preparation of consolidated financial statements is not applicable and reporting under clause 3(xxi) of the Order is also not applicable.

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

K S Y Suryanandh
Partner
Membership No: 237830
UDIN: 22237830AIUTWX7834

Place: Hyderabad
Date : April 18, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

K S Y Suryanandh
Partner
Membership No: 237830
UDIN: 22237830AIUTWX7834

Place: Hyderabad
Date : April 18, 2022

Balance Sheet as at March 31, 2022

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

	Note No. (D)	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	87,093	70,274
(b) Right-of-use Assets	3	24,498	24,387
(c) Capital work in progress		24,579	3,996
(d) Intangible assets	2	39	80
(e) Financial assets			
(i) Investments	4	17	17
(ii) Other financial assets	5	1,967	1,829
(f) Deferred Tax assets	27	3,591	3,284
(g) Other non-current assets	6	11,478	863
		1,53,262	**1,04,730**
(2) Current assets			
(a) Financial assets			
(i) Trade receivables	7	32,132	18,788
(ii) Cash and Bank balances	8	18,850	1,223
(iii) Other financial assets	9	392	8,992
(b) Other current assets	10	6,632	588
		58,006	**29,591**
Total Assets		2,11,268	**1,34,321**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	11	50,500	50,500
(b) Other Equity	12	16,421	7,860
		66,921	**58,360**
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	72,495	22,577
(ii) Lease liabilities	3	15,635	14,538
(b) Provisions	14	47	105
		88,177	**37,220**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	24,366	13,518
(ii) Lease liabilities	3	2,527	3,464
(iii) Trade payables	16		
Total outstanding dues to micro enterprises and small enterprises		-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		5,593	8,797
(iv) Other financial liabilities	17	20,174	10,167
(b) Other current liabilities	18	3,501	2,788
(c) Provisions	14	9	7
		56,170	**38,741**
Total Equity and Liabilities		2,11,268	**1,34,321**

Significant accounting policies and notes to the financial statements (Refer notes C and D)
The accompanying notes referred to above form an integral part of the Balance Sheet

As per our report of even date attached.

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

For and on behalf of the Board of Directors

K S Y Suryanandh
Partner
Membership No.: 237830

C R Rao
Director

Raju Vegesna
Director

Hyderabad
April 18, 2022

V Ramanujan
Chief Financial Officer

D J Poornasandar
Company Secretary

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

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

	Note No. (D)	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	20	75,821	56,287
Other income	21	512	250
Total income		76,333	**56,537**
Expenses			
Cost of services rendered	22	30,247	22,426
Employee benefits expense	23	2,749	1,999
Finance costs	24	5,512	4,725
Depreciation and amortisation expense	1,2 and 3	15,367	13,017
Other expenses	25	10,170	7,124
Total expenses		64,045	**49,291**
Profit before tax		12,288	**7,246**
Tax expense	27		
Current Tax		(4,019)	(2,640)
Deferred Tax		306	3,284
Profit after tax		8,575	**7,890**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements of net defined benefit liability/asset		(14)	**(14)**
Total other comprehensive income		(14)	**(14)**
Total comprehensive income for the Year		8,561	**7,876**
Earnings per equity share (₹ 10 paid up)	28		
Basic		1.70	1.56
Diluted		1.70	1.56

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

As per our report of even date attached.

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

For and on behalf of the Board of Directors

K S Y Suryanandh
Partner
Membership No.: 237830

C R Rao
Director

Raju Vegesna
Director

Hyderabad
April 18, 2022

V Ramanujan
Chief Financial Officer

D J Poornasandar
Company Secretary

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

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

A. Equity Share Capital

	For the year ended	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	50,500	500
Change in Equity Share Capital during the year	-	50,000
Balance at the end of the year	**50,500**	**50,500**

B. Other Equity

	Reserves and surplus	Other Components of Equity	Total
	Retained earnings	Remeasurements of net defined benefit liability/asset	
2020-21			
Balance as at April 01, 2020 - (A)	**(16)**		**(16)**
Profit for the year	7,890		7,890
Other comprehensive income		(14)	(14)
Total comprehensive income for the year 2020-21 - (B)	7,890	(14)	7,876
Balance as at March 31, 2021 - [(C) = (A) + (B)]	7,874	(14)	7,860
2021-22			
Balance as at April 01, 2021 - (A)	7,874	(14)	7,860
Profit for the year	8,575		8,575
Other comprehensive income		(14)	(14)
Total comprehensive income for the year 2021-22 - (B)	8,575	(14)	8,561
Balance as at March 31, 2022 - [(C) = (A) + (B)]	16,449	(28)	16,421

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

As per our report of even date attached.

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

K S Y Suryanandh
Partner
Membership No.: 237830

Hyderabad
April 18, 2022

For and on behalf of the Board of Directors

C R Rao
Director

Raju Vegesna
Director

V Ramanujan
Chief Financial Officer

D J Poornasandar
Company Secretary

Cash Flow Statement for the year ended March 31, 2022

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

		For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax		12,288	**7,246**
Adjustments for :			
Depreciation and amortisation expense		15,367	13,017
Finance expenses (considered separately)		5,512	4,725
Allowance for doubtful debts		1,003	500
Provision for doubtful advances		5	1
Unrealised foreign exchange fluctuation loss/(gain), net		(151)	93
Interest income (considered separately)		(312)	(250)
(Profit) /loss on sale of Property, Plant and Equipment (net)		(10)	-
Operating profit / (loss) before working capital changes		33,702	**25,332**
(Increase)/decrease in trade receivables - current		(14,274)	(6,107)
(Increase)/decrease in other financial assets - current		8,650	(6,004)
(Increase)/decrease in other financial assets - non current		(65)	(589)
(Increase)/decrease in other non current assets		(887)	149
(Increase)/decrease in other current assets		(6,044)	17
Increase/(decrease) in trade payables		(3,025)	(1,232)
Increase/(decrease) in other financial liabilities - current		2,008	2,755
Increase/(decrease) in other current liabilities		1,444	(191)
Increase/(decrease) in provisions - non current		(72)	9
Increase/(decrease) in provisions - current		2	2
Cash generated from operations		21,439	**14,141**
Tax (paid)/refund received		(4,751)	**(1,257)**
Net cash generated from operating activities	**(A)**	16,688	**12,884**
Cash flow from investing activities			
Purchase of Property, Plant and Equipment		(52,440)	(17,482)
Increase/decrease other bank balance		(3,071)	(243)
Amount paid for acquisition of right of use assets		(1)	(197)
Sale proceeds of Property, Plant and Equipment		10	-
Interest income received		184	157
Net cash used in investing activities	**(B)**	(55,318)	**(17,765)**
Cash flow from financing activities			
Proceeds from long-term borrowings		32,504	12,445
Repayment of long-term borrowings		(10,011)	(8,210)
Proceeds from issue of Compulsorily Convertible Debentures		30,200	-
Increase/(decrease) in short-term borrowings		8,130	1,783
Increase/(decrease) of lease liabilities		(1,828)	972
Interest paid		(5,651)	(4,741)
Net cash used in financing activities	**(C)**	53,344	2,249
Effect of exchange differences on translation of cash and bank balances	**(D)**	2	-
Net increase/(decrease) in cash and Bank balances during the year	**(A) + (B) + (C) + (D)**	14,716	(2,632)
Cash and bank balances at the beginning of the year		807	(515)
Cash and bank balances acquired through BTA		-	2,924
Cash and bank balances at the end of the year		15,523	807
[Refer Note D (8)]			
# Bank balances subject to lien [Refer Note D (8)]		3,314	243
Disclosure of changes in liabilities arising from financing activities [Refer Note D (26)]			

Significant accounting policies and notes to the financial statements [(Refer notes C and D)]

As per our report of even date attached.

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

For and on behalf of the Board of Directors

K S Y Suryanandh
Partner
Membership No.: 237830

C R Rao
Director

Raju Vegesna
Director

Hyderabad
April 18, 2022

V Ramanujan
Chief Financial Officer

D J Poornasandar
Company Secretary

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

A. COMPANY OVERVIEW

Sify Infinit Spaces Limited ('Sify' or 'the Company') is a Company domiciled in India. The address of the Company's registered office is 2nd Floor, Tidel Park, 4, Rajiv Gandhi Salai, Taramani, Chennai - 600113, India. The Company offers Data Center services through its data centers located in Chennai, Mumbai, Noida, Bangalore, Hyderabad, Kolkata. The Company was incorporated on November 20, 2017.

During the FY 2020-21, the Company acquired Data Center business from its holding company Sify Technologies Limited vide Business Transfer Agreement dated January 28, 2021.

B. BASIS OF PREPARATION

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for Cash Flow Statement and certain financial instruments which are measured on fair value basis. GAAP comprises Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 read together with relevant rules as amended from time to time, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set-out in note C (20). Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1. Statement of Compliance

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

2. Basis of Measurement

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

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

The above items have been measured at fair value and the methods used to measure fair values are discussed further in Note C (18).

3. New and amended standards

3A. Standards issued and not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below

Ind AS 103 - Reference to Conceptual Framework

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

Ind AS 16 – Proceeds before intended use

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

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

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

Ind AS 109 - Annual Improvements to Ind AS (2021)

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

Ind AS 106 - Annual Improvements to Ind AS (2021)

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

4. Functional and Presentation Currency

The financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. All financial information presented in Indian Rupees has been rounded up to nearest lakhs except where otherwise indicated.

5. Use of estimates and judgements

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

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

- Valuation of financial instruments [Note C(2)]
- Useful lives of property, plant and equipment [Note C(4)]
- Useful lives of intangible assets [Note C(6)]
- Estimate of Lease term and measurement of Right of Use Assets and Lease Liabilities [Note C(7)]
- Measurement of defined employee benefit obligations [Note C (10)]
- Measurement of share-based payments [Note C(11)]
- Provisions [Note C(12)]
- Identification of performance obligation and timing of satisfaction of performance obligation, measurement of transaction price on revenue recognition [Note C(13)]
- Utilization of tax losses and computation of deferred taxes [Note C(16)]
- Expected Credit losses on Financial Assets [Note C(2)]
- Impairment testing [Note C(9)]

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

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

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

C. SIGNIFICANT ACCOUNTING POLICIES

1. Foreign currency

(i) Foreign currency transactions and balances

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

(ii) Foreign operations

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

2. Financial Instruments

a. Financial Assets

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

Initial recognition:

All financial assets are recognised initially at fair value. 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 market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

(i) Financial assets measured at amortized cost:

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

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

a) Trade receivable

b) Other financial assets.

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

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

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

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

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

Derecognition of financial assets:

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

Impairment of financial assets:

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

(i) Trade receivables

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

(ii) Other financial assets

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

b. Financial liabilities

Initial recognition and measurement:

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

Subsequent measurement:

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

- at amortised cost

- at fair value through profit or loss

(i) Financial liabilities at amortised cost

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

a) Compulsory convertible debentures

b) Borrowings from banks

c) Borrowings from others

d) Finance lease liabilities

e) Trade payables

f) Other financial liabilities

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

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

Financial liabilities held for trading are measured at FVTPL.

Convertible Instruments:

Convertible instruments are classified as either equity or liability based on the contractual terms. When the conversion terms are fixed resulting in non-derivative instrument which is settled by issuing fixed number of entity's own equity instruments, the instrument is classified as equity. In other cases instrument is classified as liability.

Derecognition of financial liabilities:

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

c. Derivative financial instruments

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

d. Offsetting of financial assets and financial liabilities

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

e. Reclassification of financial assets

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

3. Share capital

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

4. Property, Plant and Equipment

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

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

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

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment and are recognized net within "other income / other expenses" in the Statement of Profit and Loss.

Subsequent costs

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

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

Depreciation

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

	Estimated useful life in years	Useful life prescribed by Schedule II (in years)
Buildings	28	30
Plant and equipment		
- Computer servers	5	6
- Computer laptops/ desktop	3	3
Furniture and fittings	5	10
Office equipment	5	5

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

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

5. BUSINESS COMBINATIONS

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

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

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

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

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

6. INTANGIBLE ASSETS

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

Subsequent expenditure

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

Amortization of intangible assets with finite useful lives

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

	Estimate of useful life in years
System software	1 - 3

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

7. LEASES

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for

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

a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the company has the right to direct the use of the asset.

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

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

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

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

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

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

The Company as a lessor

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

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

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

8. CONTRACT ASSETS / LIABILITY

Contract assets represents costs incurred / revenue recognised on completion of entity's performance of customer contract. Correspondingly, contract Liability (Unearned income) represents unserved portion of billed contracts.

9. IMPAIRMENT OF NON FINANCIAL ASSETS

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

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

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

Reversal of impairment loss

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

10. EMPLOYEE BENEFITS

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

(a) Defined contribution plan (Provident fund)

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

(b) Defined benefit plans (Gratuity)

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

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

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

(c) Short term benefits

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

(d) Compensated absences

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

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11. SHARE-BASED PAYMENT TRANSACTIONS

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

12. PROVISIONS

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

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

13. REVENUE RECOGNITION

The Company derives revenue from Data Center services.

Data Center Services (DC):

Revenue from DC services consists co-location of racks and power charges. The contracts are mainly for a fixed rate for a period of time. Revenue from co-location of racks, power charges and cross connect charges are series of distinct services. The performance obligations are satisfied overtime. Service revenue is recognized as the related services are performed. Sale of equipments such as servers, switches, networking equipments, cable infrastructure and racks etc are accounted as separate performance obligations if they are distinct and its related revenues are recognised at a point in time when the control is passed on to the customer.

Multiple deliverable arrangements

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

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

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

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

Contract Cost

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

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

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

Significant judgements on applying Ind AS 115

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

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

In the case of multiple arrangements in a contract, the Company allocate transaction price to each performance obligation based on standalone transaction price. The determination of standalone transaction price involves judgment.

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

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

14. FINANCE INCOME

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

15. FINANCE EXPENSE

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

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

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

16. INCOME TAXES

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

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

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

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

(iii) arising due to taxable temporary differences 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.

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

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

17. EARNINGS PER SHARE

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

18. FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

Level 3 - unobservable inputs for the asset or liability

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

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

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

(i) Investments in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting date.

In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

(ii) Trade and other receivables

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

(iii) Derivatives

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

(iv) Non derivative financial liabilities

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

(v) Share-based payment transactions

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

19. DIVIDEND DISTRIBUTION TO EQUITY SHAREHOLDERS

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

20. CURRENT/ NON-CURRENT CLASSIFICATION

An asset is classified as current if:

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

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

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

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

All other assets are classified as non-current.

A liability is classified as current if:

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

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

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

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

All other liabilities are classified as non-current.

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

D. Notes to Accounts

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

1. Property, Plant and Equipment

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

Particulars	ORIGINAL COST				DEPRECIATION				NET BOOK VALUE	
	As at April 01, 2021	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2022	As at April 01, 2021	For the year	Deletions/ Adjustments during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Owned assets										
Buildings	24,098	1,718		25,816	2,490	999	-	3,489	22,327	21,608
Plant and equipment	64,727	11,557	25	76,259	33,842	6,200	25	40,017	36,242	30,885
Furniture and fittings	392	0	1	391	380	5	1	384	7	12
Office equipment	10,168	3,815	-	13,983	5,106	1,795	-	6,901	7,082	5,062
Leasehold improvements	23,318	13,386	17	36,687	10,611	4,658	17	15,252	21,435	12,707
	1,22,703	**30,476**	**43**	**1,53,136**	**52,429**	**13,657**	**43**	**66,043**	**87,093**	**70,274**

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

Particulars	ORIGINAL COST					DEPRECIATION					NET BOOK VALUE	
	As at April 01, 2020	Acquired through BTA	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2021	As at April 01, 2020	Acquired through BTA	For the year	Deletions/ Adjustments during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Owned assets												
Buildings	-	23,043	1,055	-	24,098	-	1,607	883	-	2,490	21,608	-
Plant and equipment	-	53,352	11,385	10	64,727	-	27,960	5,892	10	33,842	30,885	-
Furniture and fittings	-	386	6	-	392	-	374	6	-	380	12	-
Office equipment	-	7,819	2,349		10,168	-	3,673	1,433	-	5,106	5,062	-
Leasehold improvements	-	16,452	6,866	-	23,318	-	7,504	3,107	-	10,611	12,707	-
	-	1,01,052	21,661	10	1,22,703	-	41,118	11,321	10	52,429	70,274	-

Notes

(a) Refer note D (13) and D (15) for security given for borrowings.
(b) Refer note D (19)(b) for capital commitments.

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

2. Intangible assets

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

Particulars	ORIGINAL COST				AMORTISATION				NET BOOK VALUE	
	As at April 01, 2021	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2022	As at April 01, 2021	For the year	Deletions/ Adjustments during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
System software	759	2	-	761	679	43	-	722	39	80
	759	**2**	**-**	**761**	**679**	**43**	**-**	**722**	**39**	**80**

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

Particulars	ORIGINAL COST					AMORTISATION					NET BOOK VALUE	
	As at April 01, 2020	Acquired through BTA	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2021	As at April 01, 2020	Acquired through BTA	For the year	Deletions/ Adjustments during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
System software	-	742	17	-	759	-	608	71	-	679	80	-
	-	742	17	-	759	-	608	71	-	679	80	-

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

3. Right of Use Assets and Liabilities

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

Particulars	Category of ROU asset		
	Land	Building	Total
Balance as of April 01, 2021	7,879	16,508	24,387
Additions	-	1,778	1,778
Deletions	-	-	-
Depreciation	(99)	(1,568)	(1,667)
Balance as of March 31, 2022	7,780	16,718	24,498

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

Particulars	Category of ROU asset		
	Land	Building	Total
Balance as of April 01, 2020	-	-	-
"Additions through BTA (Net of Accumulated Depreciation)"	7,978	7,888	15,866
Additions	-	10,146	10,146
Deletions	-	-	-
Depreciation	(99)	(1,526)	-1,625
Balance as of March 31, 2021	**7,879**	**16,508**	**24,387**

Particulars	As at March 31, 2022	**As at March 31, 2021**
Current lease liabilities	2,527	3,464
Non-current lease liabilities	15,635	14,538
Total	18,162	18,002

The movement in lease liabilities is given below :

Particulars	As at March 31, 2022	**As at March 31, 2021**
Balance at the beginning of the year	18,002	-
Additions through BTA	-	7,081
Additions during the year	1,988	9,949
Finance cost accrued during the year	1,605	1,600
Deletions	-	-
Payment of lease liabilities	(3,433)	(628)
Balance at the end of the year	18,162	18,002

Note: Refer Note D (34) for contractual maturities to lease liabilities

Amounts recognised in profit or loss are given below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities	1,605	1,600
Expenses relating to leases of low-value assets, including short-term leases of low value assets	384	421

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

		As at March 31, 2022	As at March 31, 2021
4.	**INVESTMENTS - NON-CURRENT**		
	Trade Investments		
	Investment in equity instruments		
	Investment in equity of others - unquoted (Refer note below)		
	Investment in Vashi Railway Station Commercial Complex Limited		
	[15,000 (March 31, 2021 : 15,000) equity shares of ₹ 10 each fully paid up]	2	2
	Investment in Sarayu Clean Gen Pvt Ltd.		
	[1,56,000 (March 31, 2021 : 1,56,000) equity shares of ₹10 each fully paid up]	15	15
		17	17
	Aggregate cost of unquoted investments	17	17
5.	**OTHER FINANCIAL ASSETS - NON-CURRENT**		
	Security deposits	1,967	1,829
		1,967	**1,829**
6.	**OTHER NON-CURRENT ASSETS**		
	Capital advances	10,507	780
	Prepaid expenses	971	83
		11,478	**863**
7.	**TRADE RECEIVABLES**		
	Trade receivables considered good - Secured	-	-
	Trade receivables considered good - Unsecured	32,960	19,283
	Trade receivables which have significant increase in Credit Risk	-	-
	Trade Receivables - credit impaired	-	-
	Total	32,960	**19,283**
	Loss Allowance [Refer note (b) below]	(828)	**(495)**
	Net Trade receivables	32,132	**18,788**

(a) This amount include receivables relating to services rendered to holding company ₹ Nil (previous year ₹ 303) and ₹ Nil (previous year ₹ 574) towards fellow subsidiary and also includes amount receivable relating to the invoices that have been booked in parent company and subsequently transferred from holding company ₹ 3,703 (previous year ₹ 8,215) and transferred to fellow subsidiary ₹ Nil (previous year ₹ 322). Also refer note D (32).

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
(b) The activity in loss allowance for doubtful receivables is given below:		
Balance at the beginning of the year	495	-
Add: Additional provision during the year	1,003	500
Less: Bad debts written off	(670)	(5)
Balance at the end of the year	828	495

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

Particulars	Not due	less than 6 months	6 months - 1 year	1-2 years	2-3 years	greater than 3 years	Total
Trade receivables - Undisputed							
Considered good	11,002	12,421	1,986	1,098	165	86	26,758
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	11,002	12,421	1,986	1,098	165	86	26,758
Provision for Doubtful Debts							(828)
Trade receivable - Unbilled							6,202
Total	11,002	12,421	1,986	1,098	165	86	32,132

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

Particulars	Not due	less than 6 months	6 months - 1 year	1-2 years	2-3 years	greater than 3 years	Total
Trade receivables - Undisputed							
Considered good	9,440	3,004	1,583	930	314	422	15,693
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	9,440	**3,004**	**1,583**	**930**	**314**	**422**	**15,693**
Provision for doubtful debts							**(495)**
Trade receivable - Unbilled							**3,590**
Total	**9,440**	**3,004**	**1,583**	**930**	**314**	**422**	**18,788**

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

		As at March 31, 2022	As at March 31, 2021
8. CASH AND BANK BALANCES			
(a) Balance with banks			
(i) in current accounts		5,536	568
(ii) deposits		10,000	412
	(A)	**15,536**	**980**
(b) Other bank balances			
(i) Bank deposits [Refer note below]		3,314	243
	(B)	**3,314**	**243**
	(A) + (B)	**18,850**	**1,223**
Balances in deposit accounts subject to lien in favour of banks for obtaining bank guarantees /letter of credits/borrowings		3,314	243
Cash and cash equivalents for the purpose of Cash Flow Statement:			
Cash and cash equivalents as above		15,536	980
Less: Bank overdraft used for cash management purposes [Refer note 15 (f)]		(13)	(173)
		15,523	**807**
9. OTHER FINANCIAL ASSETS			
Amounts receivable from holding company [Refer note (a) below]		-	8,843
Amounts receivable from fellow subsidiary companies		137	-
Security deposits [Net of doubtful allowance of ₹ 6 (previous year ₹ 1)] (Refer note (b) below)		50	87
Interest accrued on deposits		117	62
Derivative financial instrument		88	
		392	**8,992**

Note:

a) ₹ Nil (previous year ₹ 8,843) is receivable from holding company and ₹ 137 (previous year ₹ Nil) receivable from, fellow subsidiary of the company on account of transfer of assets/liabilities, transfer of revenue and expenses, customer receipts received and vendor payments made by the parent company / fellow subsidiary company pertaining to the services rendered by and for the company. Also refer note D (32).

b) The activity in allowance for doubtful deposits are given below:

Balance at the beginning of the year		
Add: Additional provision during the year	1	-
Balance at the end of the year	5	1
	6	**1**

	As at March 31, 2022	As at March 31, 2021
10. OTHER CURRENT ASSETS		
Balances with GST, service tax and sales tax authorities	3,221	135
Prepaid expenses	469	58
Contract assets [Refer note below]	2,793	265
Other advances	149	130
	6,632	**588**

Considering the nature of business activity, the Company has determined that it would be more appropriate to disclose the unamortised contract execution cost as contract asset as against the earlier disclosure as inventory. Accordingly the Company has reclassified the said item as contract asset as against disclosure as inventory.

Refer Note D (37) for the movement in Deferred contract cost.

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

	As at March 31, 2022	As at March 31, 2021
11. EQUITY SHARE CAPITAL		
Authorized		
78,00,00,000 (March 31, 2021: 53,00,00,000) equity shares of ₹10 each, 22,00,00,000 (March 31, 2021: 2,00,00,000) preference shares of ₹10 each	1,00,000	55,000
Issued		
50,50,00,000 (March 31, 2021: 50,50,00,000) equity shares of ₹10 each	50,500	50,500
Subscribed and fully paid		
50,50,00,000 (March 31, 2021: 50,50,00,000) equity shares of ₹10 each fully paid up	50,500	50,500
	50,500	50,500

(a) The Company has two classes of authorised share capital i.e., equity shares and preference shares having a par value of ₹10 per share.

(b) Equity shares carry voting rights proportionate to the paid-up value per share. In the event of liquidation of the company, holders of the equity shares are entitled to be repaid the amounts credited as paid up on those equity shares. All surplus assets after settlement of liabilities and preference share capital 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.

(c) Pursuant to the Business Transfer Agreement ('BTA') entered on January 28, 2021, the Company had acquired Data Center services business along with all Property, Plant and Equipment, intangible assets and liabilities relating to said business, on a going concern basis from its holding company, Sify Technologies Limited. The consideration payable for acquisition of said business was discharged through issue of 50,00,00,000 shares of INR 10 each as fully paid up.

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

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount paid- up	Number of shares	Amount paid- up
Number of shares outstanding at the beginning of the year	50,50,00,000	50,500	50,00,000	500
Add: Shares issued pursuant to BTA	-	-	50,00,00,000	50,000
Number of shares outstanding at the end of the year	50,50,00,000	50,500	50,50,00,000	50,500

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

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares held	% holding	Number of Shares held	% holding
Sify Technologies Limited	50,50,00,000	100.00%	50,50,00,000	100.00%

11.3 Shareholding of Promoters

Equity shares held by promoters as at the year ended March 31, 2022

Name of the promoter	No. of share	Percentage of total shares	Percentage of change during the period
Sify Technologies Limited	50,50,00,000	100%	-
Total	50,50,00,000	100%	-

Equity shares held by promoters as at the year ended March 31, 2021

Name of the promoter	No. of share	Percentage of total shares	Percentage of change during the period
Sify Technologies Limited	50,50,00,000	100%	-
Total	50,50,00,000	100%	-

		As at March 31, 2022	As at March 31, 2021
12. OTHER EQUITY			
12.1 Reserves and surplus			
Retained earnings			
Balance at the beginning of the year		7,874	(16)
Adjustments:			
Add: Profit for the year		8,575	7,890
	(A)	16,449	**7,874**
Remeasurement of net defined benefit liability/asset			
Balance at the beginning of the year		(14)	-
Add: Additions during the year		(14)	(14)
	(B)	(28)	**(14)**
	(C) = (A)+(B)	16,421	**7,860**

Nature and purpose of Reserves

a) **Retained Earnings**

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

b) **Remeasurement of defined benefit liability / Asset**

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

	As at March 31, 2022	As at March 31, 2021
13. BORROWINGS		
Secured		
Term loan from banks [Refer Note (a) to (d) below]	41,395	22,577
6% Compulsory convertible debentures [Refer Note (g) below]	20,200	-
Unsecured		
6% Compulsory convertible debentures [Refer Note (g) below]	10,000	-
Loan from holding company [Refer Note (h) below]	900	-
	72,495	22,577

a. Of total term loan balance ₹ 40,539 (previous year ₹ 13,752) is primarily secured by charge on movable fixed assets funded by term loan and also secured by project receivables. Of the above amount, ₹ 11,870 (previous year ₹ 12,282) is transferred from Parent company Sify Technologies Limited pursuant to BTA entered during FY 2020-21 and the charge creation and documentation with regard to securities is under progress. Of the total term loan balance, an amount of ₹ 7,207 (previous year ₹ 9,655) including current maturities is primarily secured against the specific project receivables of the company and ₹ 3,308 (previus year ₹ 3,520) is secured by moveable fixed assets funded out of Term Loan. Of the above amounts, ₹ 879 (Previous year ₹ 13,175) including current maturities is transferred from the parent company Sify Technologies Limited pursuant to BTA entered during FY 2020-21 and the charge creation and documentation with regard to securities is under progress.

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

b. Of the total term loan balance ₹ 2,295 (previous year: ₹ 3,315) is primarily secured by moveable fixed assets at Rabale Tower II Data center (1st & 2nd floor) funded by Term Loan and project receivables and collaterally secured by property at Vashi (5th floor) in Mumbai. An amount of ₹ Nil since closed (previous year: ₹ 1,116), is primarily secured by Hyderabad property and collaterally secured by the properties at TIDEL Vileparle and Vashi (6th Floor) and movable fixed assets. Of the above amount, ₹ 2,295 (Previous year ₹ 4,511) including current maturities is transferred from the parent company Sify Technologies Limited pursuant to BTA entered during FY 2020-21 and the charge creation and documentation with regard to securities is under progress.

c. During the FY 2020-21, the company has entered into External Commercial Borrowing (ECB) facility agreement for $50. The Company has also entered into agreement for currency swap (from USD to INR) to fully hedge foreign currency exposure towards principal repayment and interest rate swap from floating to fixed.

d. The term loans bear interest rate of 2.50% plus 3 months LIBOR in the case of Foreign currency term loans and a range of 7.2% to 8.92% (Previous year 6.80% to 9.6%) for others and the term loans are repayable in quarterly instalments within a tenor of 3 to 5 years after moratorium periods ranging from 6 months to one year in certain cases.

e. These loans are primarily taken from NBFCs.

f. The loans bear interest rate range of Nil since closed (previous year 8.6% to 9.9%) and repayable over a period of 12 to 60 months on equated monthly / quarterly instalments.

g. During the year under review, Kotak Special Situations Fund (KSSF) subscribed to 2,00,00,000 (two crore) Series 1 Compulsorily Convertible Debentures (CCDs) with face value of INR 100 each amounting to ₹ 20,000 and 1% of 2,00,00,000 (two crore) Series 2 Compulsorily Convertible Debentures (CCD) with face value of INR 100 each amounting to ₹ 200. The balance 99% of Series 2 CCDs shall be fully paid up between October 2022 and March 2023. Further, the Company has the option and right to require KSSF to acquire additional compulsory convertible debentures of the Company ("Additional CCDs") in one or more tranches during FY 2022, FY 2023, FY 2024, FY 2025 or by October 1, 2026 for up to an aggregate subscription amount of ₹ 60,000. The CCDs are secured by secondary charge over identified movable assets of data center facility.

In addition, the holding company, Sify Technologies Limited subscribed to 1,00,00,000 (One Crore) unsecured Compulsorily Convertible Debentures (CCDs) with face value of INR 100 each amounting to ₹ 10,000.

These CCD's carry a coupon rate of 6% payable half-yearly. The CCDs shall be fully, mandatorily and compulsorily converted into equity shares by October 1, 2031 and the conversion ratio shall be decided based on the equity valuation as at March 31, 2023.

h. During the financial year under review, the Company has received unsecured term loan of ₹ 900 from its holding company which bears interest rate of 7%, which is repayable in 3 years.

i. The current maturities of the above borrowings, carrying the aforesaid security and repayment terms are grouped under Note D (15).

	As at March 31, 2022	As at March 31, 2021
The current maturities of borrowings are as under:		
Secured		
Term loan from banks	11,953	8,781
Unsecured		
Loan from others [Refer Note (e) & (f) above]	-	294

14. PROVISIONS

Provisions for employee benefits - current			
Compensated absences		9	7
	(A)	9	**7**
Provisions for employee benefits - non-current			
Gratuity [Refer note D (30)]		13	83
Compensated absences		34	22
	(B)	47	**105**

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

	As at March 31, 2022	As at March 31, 2021
15. BORROWINGS (SHORT-TERM)		
Loans repayable on demand from banks - Secured [Refer notes (a) to (f) below]		
Working capital facilities	12,413	4,443
Current maturities of Long Term Loans		
Current maturities of long term debt*	11,953	8,781
Current maturities of other loans*	-	294
	24,366	13,518

*Also refer note D (13)

(a) The above facilities amounting to ₹ 5,913 (previous year ₹ 4,443), non fund limits (including bank guarantees) availed by the Company are primarily secured by way of pari-passu charge on the entire current assets of the Company to all working capital bankers under consortium.

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

(i) exposure amounting to ₹ 4,613 (previous year ₹ 3,230) is secured collaterally by way of pari-passu charge on the unencumbered movable fixed assets of the Company, both present and future.

(ii) exposure amounting to ₹ 13 (previous year ₹ 2,102) is secured collaterally by way of equitable mortgage over the properties at Tidel Park, Chennai, Vashi 6th floor, Vile Parle at Mumbai.

(iii) exposure amounting to ₹ 1,300 (previous year ₹ 1,213) is collaterally secured by equitable mortgage over the land and building at Noida and also covered by WDV of specific movable fixed assets funded out of their Term loan (since closed) at Noida Data Center, Uttar Pradesh.

(iv) the exposure amounting to ₹ 4,300 (previous year ₹ 854) is collaterally secured by equitable mortgage over the Vashi 5th floor property at Mumbai.

(c) Of fhe above, facilities amounting to ₹ 2,500 (previous year ₹ Nil) are primarily secured by way of pari-passu charge on current assets of the Company, both present and future.

(d) Of the above, facilities amounting to ₹ 4,000 (previous year ₹ Nil) are primarily secured by way of pari-passu charge on current assets and unencumbered movable fixed assets of the Company, both present and future.

(e) These working capital facilities bear interest ranging from 5.40% p.a. to 7.70% p.a. [previous year: 5.4% p.a. to 9.45% p.a.] and these facilities are subject to renewal annually.

(f) Working capital facilities comprises the following:

Bank overdraft	13	173
Other working capital facilities	12,400	4,270
	12,413	4,443

16. TRADE PAYABLES		
Towards purchase of goods and services *		
Undisputed Trade payables :		
(a) Total outstanding dues to micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,593	8,797
	5,593	8,797

* Includes :

(a) This amount include payables relating to services received from holding company ₹ Nil (previous year ₹ 1,379) and also includes ₹ 99 (previous year ₹ 4,095) payable on account of the invoices that have been booked in parent company and subsequently transferred. Also refer note D (32).

(b) There are no dues payable to micro, small and medium enterprises as on March 31, 2022 (Previous year - ₹ Nil) - Refer note D (38)

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

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

Particulars	less than 1 year	1- 2 years	2 - 3 years	greater than 3 years	Total
Undisputed Trade payables :					
(a) Total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,186	34	373	-	5,593
Total	5,186	34	373	-	5,593

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

Particulars	less than 1 year	1- 2 years	2 - 3 years	greater than 3 years	Total
Undisputed Trade payables :					
(a) Total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	8,350	409	26	12	8,797
Total	8,350	409	26	12	8,797

	As at March 31, 2022	As at March 31, 2021
17. OTHER FINANCIAL LIABILITIES		
Amounts payable to fellow subsidiaries (Refer Note below)	1,743	2,082
Amounts payable to holding company (Refer Note below)	4,145	-
Capital creditors	14,073	5,946
Interest accrued	156	75
Derivative financial liabilities	-	81
Other payables	57	1,983
	20,174	**10,167**

Note: ₹ 4,145 (previous year ₹ Nil) is payable to holding company on account of transfer of assets/liabilities, transfer of revenue and expenses, customer receipts received and vendor payments made by the parent company / fellow subsidiary company pertaining to the services rendered by and for the company. Also refer note D (32).

Includes ₹ 1,743 (previous year ₹ Nil) payable to fellow subsidiary of the company on account of transfer of expenses, vendor payments made on behalf of the company. Also refer note D (32).

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

	As at March 31, 2022	As at March 31, 2021
18. OTHER CURRENT LIABILITIES		
Advances received from customers	15	38
Statutory payables	84	71
Contract liability (Unearned income)*	2,675	1,234
Other payables	76	62
Current tax liability (Net of Advance tax paid ₹ 1,257)	651	1,383
	3,501	2,788

* Refer Note D (37) for the movement in Contract liability (Unearned income)

19. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities

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

(b) Capital commitments

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	56,460	12,337

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
20. REVENUE FROM OPERATIONS		
Sale of Services:		
- Domestic	72,864	54,030
- Export	2,957	2,257
	75,821	**56,287**
21. OTHER INCOME		
Interest income		
From banks	238	178
Others	73	72
Other non-operating income		
Profit on sale of property, plant and equipment (Net)	10	-
Gain on foreign exchange fluctuation (Net)	172	-
Miscellaneous income	19	-
	512	**250**
22. COST OF GOODS SOLD AND SERVICES RENDERED		
A. Cost of services rendered		
Power expenses	29,380	21,566
Other direct costs	867	860
	30,247	**22,426**

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
23. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	2,544	1,847
Contribution to provident and other funds	110	65
Staff welfare expenses	74	63
Share-based payments to employees	21	24
	2,749	1,999
24. FINANCE COSTS		
Interest	3,624	3,007
Other finance costs	283	118
Interest on lease liability	1,605	1,600
	5,512	4,725
25. OTHER EXPENSES		
Communication expenses	23	9
Rent	384	421
Rates and taxes	710	354
Travelling expenses	48	22
Power and fuel expenses	214	140
Legal and professional	503	277
Payment to auditors		
- Statutory audit fees	13	13
Repairs and maintenance expenses		-
- Plant and machinery	1,394	1,120
- Buildings	311	129
- Others	4,124	2,865
Insurance	228	26
Outsourced manpower costs	168	146
Advertisement, selling and marketing expenses	105	9
Loss on foreign exchange fluctuation (net)	-	97
Provision for doubtful advances	5	-
Contribution towards corporate social responsibility [Refer note D (35)]	52	-
Allowance for bad and doubtful debts (Net of bad debts written off ₹ 670; previous year ₹ 5)	1,003	500
Miscellaneous expenses	885	996
	10,170	7,124

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

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

(i) Long term borrowings *

Particulars	As at April 01, 2021	Proceeds	Repayment	Non cash movement	
				Foreign exchange movement	As at March 31, 2022
Term loans from Bank	31,358	31,604	(9,717)	104	53,348
6% Compulsory convertible debentures	-	30,200	-	-	30,200
Term loans from Holding Company	-	900	-	-	900
Term loans from Others	294	-	(294)	-	-
Total	**31,652**	**62,704**	**(10,011)**	**104**	**84,448**

* including current maturities

(ii) Short term borrowings

Particulars	As at April 01, 2021	Cash flow	Foreign exchange movement	As at March 31, 2022
Working capital facilities excluding overdraft*	4,270	8,130	-	12,400
Total	**4,270**	**8,130**	**-**	**12,400**

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

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

(i) Long term borrowings *

Particulars	As at April 01, 2020	Acquired through BTA	Proceeds	Repayment	As at March 31, 2021
Term loans from Bank	-	26,681	12,445	(7,768)	31,358
Term loans from Others	-	655	-	(361)	294
Total	**-**	**27,336**	**12,445**	**(8,129)**	**31,652**

* including current maturities

(ii) Short term borrowings

Particulars	As at April 01, 2020	Acquired through BTA	Cash flow	Foreign exchange movement	As at March 31, 2021
Working capital facilities excluding overdraft*	-	2,487	1,783	-	4,270
Other short term borrowing	-	-	-	-	-
Total	**-**	**2,487**	**1,783**	**-**	**4,270**

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

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

27. DEFERRED TAX ASSETS AND LIABILITIES

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

Recognised deferred tax assets/liabilities

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets on temporary deductible differences		
Property, Plant and Equipment	2,608	2,841
Leases under Ind AS 116	768	336
Provision for employee benefits	15	3
Accounts receivable	208	124
Provision for Doubtful advances	2	
	3,601	**3,304**
Deferred tax liabilities on temporary taxable differences		
Intangible assets	(10)	(20)
	(10)	**(20)**
Net deferred tax asset recognised in Balance Sheet	3,591	**3,284**

Movement in temporary differences during current and previous year

	Provision for employee benefits	Accounts Receivable	Provision for Doubtful advances	Property, Plant and Equipment	Intangible assets	Finance lease obligations	Leases under Ind AS 116
Balance as at March 31, 2020	-	-	-	-	-	-	-
Recognised in income statement	3	124		2,841	(20)	-	336
Recognised in Equity	-	-		-	-	-	-
Balance as at March 31, 2021	3	124	-	2,841	(20)	-	336
Recognised in income statement	12	84	2	(233)	10		432
Recognised in Equity	-	-		-	-	-	-
Balance as at March 31, 2022	15	208	2	2,608	(10)	-	768

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Income tax expense recognized in profit or loss		
Current tax expense/ (reversal)	4,019	2,640
Deferred tax liability / (asset)	(306)	(3,284)
	3,713	(644)

Reconciliation of effective tax rates

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

Profit before taxes	12,288	7,246
Enacted tax rates in India	25.17%	25.17%
Expected tax expense/(benefit)	3,093	1,824

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

	For the year ended March 31 2022	For the year ended March 31 2021
Effect of :		
Recognition of previously unrecognised deferred tax asset on temporary differences	-	(1,940)
Recognition of current year temporary differences	-	(672)
Expenses that are not deductible in determining taxable profit	13	-
Reversal of previously recognised temporary differences	607	-
Others	-	144
	3,713	**(644)**

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

(a) Weighted average number of shares		
Issued fully paid up ordinary shares as on April 1,	50,50,00,000	50,00,000
Issued as fully paid up in consideration for business acquisition pursuant to BTA	-	50,00,00,000
Weighted average number of equity shares outstanding	50,50,00,000	**50,50,00,000**

The CCDs issued during the financial year under review would be converted to equity shares based on equity valuation as at March 31, 2023. In view of the same, no adjustment was made for the conversion of CCDs in computing basic and Diluted Earnings per Share.

29. FOREIGN CURRENCY EXPOSURE

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

Particulars	As at March 31, 2022		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
Amounts receivable in foreign currency on account of:			
Cash and bank balances	USD	*	2
Trade Receivables	USD	40	3,065
			3,065
Amounts payable in foreign currency on account of:			
Trade Payables	USD	1	66
			66
Foreign currency long term loan	USD	45	3,411

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

Particulars	As at March 31, 2021		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
Amounts receivable in foreign currency on account of:			
Trade Receivables	USD	12	897
			897
Amounts payable in foreign currency on account of:			
Trade Payables	USD	1	66
			66
Foreign currency long term loan	USD	20	1,470

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

30. EMPLOYEE BENEFITS

a. Defined benefit plans (Gratuity)

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

	For the year ended March 31 2022	For the year ended March 31 2021
Projected benefit obligation at the beginning of the year	83	-
Service cost	15	11
Interest cost	5	4
Remeasurement (gain)/losses	15	14
Benefits paid	(5)	(10)
Acquisition Adjustment on account of BTA	-	64
Projected benefit obligation at the end of the year	**113**	**83**
Change in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Employer contributions	100	-
Benefits paid	-	-
Return on plan assets, excluding amount recognised in net interest expense	*	-
Fair value of plan assets at the end of the year	**100**	**-**
Amount recognised in the Balance Sheet		
Present value of projected benefit obligation at the end of the year	113	83
Fair value of plan assets at the end of the year	(100)	-
Funded status amount of liability recognised in the Balance Sheet	13	83
Expense recognised in the Statement of Profit and Loss		
Service cost	15	11
Interest cost	5	4
Interest income	-	-
Net gratuity costs	**20**	**15**

Summary of actuarial assumptions

Discount rate	6.35%	5.70%
Salary escalation rate	8% for the first year and 5% thereafter	0% for the first year and 5% thereafter
Average future working life time	5.26 years	4.20 years

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

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

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

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

	As at March 31, 2022	As at March 31, 2021
The expected cash flows over the next few years are as follows:		
1 year	18	18
2 to 5 years	65	48
6 to 10 years	56	31
More than 10 years	21	13
Remeasurement (gain) /loss arising from		
- change in financial assumptions	*	(4)
- experience variance	14	18
	14	14

Sensitivity analysis of significant actuarial assumptions

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

	March 31, 2022		March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 1%)	118	107	87	80
(% change compared to base due to sensitivity)	5.1%	(4.7)%	4.5%	(4.1)%
Salary Growth rate (-/+ 1%)	108	117	80	86
(% change compared to base due to sensitivity)	(4.1)%	4.30%	(3.5)%	3.60%

b. Contributions to defined contribution plans

In accordance with Indian law, all employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specified percentage of employee's basic salary. The company has no further obligations under the plan beyond its monthly contributions. An amount of ₹ 103 and ₹ 50 was contributed for the year ended March 31, 2022 and March 31, 2021 respectively.

31. SEGMENT REPORTING

Based on review by Chief Operating Decision Makers (CODM) there is only one segment i.e., (Data Center Services).

Major Customer

During the year under review, revenue from three customers of Data center services represents approximately INR 46,483 of the company's total revenues.

32. RELATED PARTIES AND TRANSACTIONS

(a) Related parties

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

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

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

(b) Related party transactions and balances

Following is a summary of related party transactions:

	March 31, 2022			
Transactions	**Sify Technologies Limited**	**Sify Digital Services Limited**	**Printhouse India Private Limited**	**Others**
Lease rentals to holding company**	1,420			
Rendering of services#	303	574		
Revenue transfer*	26,192			
Expenses transfers / Reimbursement*	7,820	288	471	
Receipt of advances			1665	
Interest paid on Loan Received	21			
Interest paid on CCDs	6			
Loan Received***	900			
Issue of CCDs***	10,000			
CSR Contribution##				22
Amount of outstanding balances				
Amount payable	541		1,743	
Amount receivable		137		
Loan Outstanding	900			
Security Deposit	345			

*On account of Business Transfer agreement executed during FY 2020-21, the customer and vendor contracts novation was in progress during the year ended March 31, 2022 and hence the invoices related to vendor and customer pertaining to the company have been booked in parent / fellow subsidiary company and subsequently transferred to subsidiary companies as expense and revenue transfers.

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

*** Refer Note D (13)

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

₹ 22 (previous year ₹ Nil) contributed to Raju Vegesna Foundation, Visakapatanam which is controlled by KMP of holding company.

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

Following is a summary of related party transactions:

	March 31, 2021	
Transactions	Sify Technologies Limited	Sify Digital Services Limited
Lease rentals to holding company**	1,379	
Lease rentals Deposit**	345	
Receipt of services	1,972	
Rendering of services	303	574
Shares issued pursuant to BTA	50,000	
Advances received on account of BTA*	2,300	
Revenue transfers on account of BTA*	8,345	3,256
Expenses transfers on account of BTA*	8,245	1,039
Amounts received on behalf of the company		187
Advances repaid	20	
Donations made		
Amount of outstanding balances		
Trade payable	1,379	
Amounts receivable on account of BTA*	12,964	
Amounts Payable on account of BTA*		2,404
Trade receivable	**303**	**574**

*Pursuant to BTA which is effective from February 01, 2021 with appointed date of April 1, 2020, the transactions that were recorded in the parent company and the balances as on January 31, 2021 pertaining the businesses that were transferred have been transferred to the subsidiary companies respectively. The customer and vendor contracts novation is in progress as on March 31, 2021. Pending confirmation from customers and vendors, the invoices have been booked in parent company and subsequently transferred to subsidiary companies as on March 31, 2021.

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

33. FINANCIAL INSTRUMENTS

a. Derivative financial instruments

i. Forward and option contracts

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. These derivative contracts are initially recognized at fair value on the date the contract is entered into and subsequently re-measured at their fair value. Gains or losses arising from changes in the fair value of the derivative contracts are recognized immediately in profit or loss. The counterparties for these contracts are generally banks or financial institutions. There are no outstanding forward contracts as at March 31, 2022.

ii. Swap Arrangements

The Company has entered into swap arrangement comprising of Cross Currency Swap (on Principal repayment) and Interest rate swap (floating to fixed), 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 contract 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 cash flows during the term of the contract and the Company shall pay fixed rate of interest (8.9%) and receive variable rate of interest equal to LIBOR + 2.5% on notional amount. The swap arrangement is marked to market at the end of every period and profit / losses are recognised in the Statement of Profit and Loss. The details of Cross Currency Swap and Interest Rates Swap is as follows:

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

a. **Cross Currency Swap**

The outstanding balances as on March 31, 2022 is as follows

Particulars	Value of the INR term loan	Value of the USD principal	Mark to Market losses/ (gain)
Tranche 1	1,323	USD 18	-
Tranche 2 (Undrawn)	1,985	USD 27	-
Total	3,308	USD 45	-

The outstanding balances as on March 31, 2021 is as follows

Particulars	Value of the INR term loan	Value of the USD principal	Mark to Market losses/ (gain)
Tranche 1	1,470	USD 20	-
Tranche 2 (Undrawn)	2,205	USD 30	-
Total	**3,675**	**USD 50**	**-**

The maturity of these contracts extends till five years and six months. The table below summarizes the cash flows (principal) of these derivative financial instruments into relevant maturity groupings based on the remaining period as at the end of the year:

	As at March 31, 2022		As at March 31, 2021	
	Receivable (USD)	Payable (INR)	Receivable (USD)	Payable (INR)
Less than 1 year	10	735	5	368
One to two years	10	735	10	735
Two to three years	10	735	10	735
Three to four years	10	735	10	735
Four to five years	5	368	10	735
More than five years	-	-	5	367
Total cash flows	45	3,308	50	3,675

The Company recognized a net loss on the cross currency swaps of ₹ Nil [Previous year : ₹ Nil] for the year ended March 31, 2022.

iii. **Interest rate swap:**

The maturity of these contracts extends till five years and six months. The table below summarizes the cash flows (interest) of these derivative financial instruments into relevant maturity groupings based on the remaining period as at the end of the year:

	As at March 31, 2022		As at March 31, 2021	
	Receivable (USD)	Payable (INR)	Receivable (USD)	Payable (INR)
Less than 1 year	1	270	1	323
One to two years	1	205	1	270
Two to three years	1	139	1	205
Three to four years	*	74	1	139
Four to five years	*	12	*	74
More than five years	-	-	*	12
Total cash flows	3	700	4	1,023

Total notional amount outstanding as on March 31, 2022 is USD 45 (Previous Year: USD 20)

The Company recognized a net mark to market gain on the interest rate swaps of ₹ 169 during the year ended March 31, 2022 (Previous year: mark to market loss of ₹ 81).

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

b. Financial instruments by category

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

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Investments	-	-	17	17	17
Trade receivables	32,132	-	-	32,132	32,132
Cash and Bank balances	18,850	-	-	18,850	18,850
Other financial assets	2,271	-	-	2,271	2,271
Derivative financial instruments	-	88	-	88	88
Liabilities					
Borrowings from banks	65,748	-	-	65,748	65,748
6% Compulsory convertible debentures	30,200			30,200	30,200
Borrowings from holding company	900			900	900
Bank overdraft	13	-	-	13	13
Lease Liabilities	18,162	-	-	18,162	18,162
Trade payables	5,593	-	-	5,593	5,593
Other financial liabilities	20,174	-	-	20,174	20,174
Derivative financial instruments	-	-	-	-	-

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

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Investments	-	-	17	17	17
Trade receivables	18,788	-	-	18,788	18,788
Cash and Bank balances	1,223	-	-	1,223	1,223
Other financial assets	10,821	-	-	10,821	10,821
Liabilities					
Borrowings from banks	35,628	-	-	35,628	35,628
Borrowings from others	294	-	-	294	294
Bank overdraft	173	-	-	173	173
Lease Liabilities	18,002	-	-	18,002	18,002
Trade payables	8,797	-	-	8,797	8,797
Other financial liabilities	10,086	-	-	10,086	10,086
Derivative financial instruments	-	81	-	81	81

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

Details of financial assets pledged as collateral

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

	As at March 31, 2022	As at March 31, 2021
Trade receivables	32,132	18,788
Cash and Bank balances	18,850	1,223
	54,296	20,254

c. **Fair value measurements:**

The details of assets and liabilities that are measured on fair value on recurring basis are given below:

	Fair value as of March 31, 2022			Fair value as of March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Derivative financial assets - gain on outstanding forward contracts	-	-	-	-	-	-
Liabilities						
Derivative financial liabilities - loss on outstanding option/forward contracts	-	-	-	-	-	-
Derivative financial liabilities - loss on outstanding cross currency swaps	-	-	-	-	-	-
Derivative financial liabilities - (Gain) / loss on outstanding interest rate swaps	-	-	(169)	-	-	81

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

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

		Year Ended March 31, 2022	Year Ended March 31, 2021
(a)	Financial assets at amortised cost		
	Interest income on bank deposits	238	178
	Interest income on other financial assets	73	72
	Impairment on trade receivables	(1,003)	(500)
(b)	Financial assets/liabilities at fair value through profit or loss (FVTPL)		
	Net gains/(losses) on fair valuation of derivative financial instruments	169	(81)
(c)	Financial liabilities at amortised cost		
	Interest expenses on lease obligations	(1,605)	(1,600)
	Interest expenses on borrowings from banks, others and overdrafts	(3,624)	(2,926)

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

34. FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

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

Credit risk:

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

Trade and other receivables

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

Cash and Bank balances and other investments

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

Exposure to credit risk

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

	As at March 31, 2022	As at March 31, 2021
Other investments	17	17
Trade receivables	32,132	18,788
Cash and Bank balances	18,850	1,223
Other financial assets	2,271	10,821
	53,270	30,849

Financial assets

There is no other class of financial assets that is past due but not impaired other than trade receivables. The age analysis of trade receivables have been considered from the date of invoice. Refer Note D (7) for ageing of trade receivables and for activity in the allowance for impairment of trade receivables.

Financial assets that are neither past due nor impaired

Cash and bank balances, other assets, other receivables and finance lease receivables are neither past due nor impaired.

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

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations. In addition, the Company has concluded arrangements with well reputed Banks, and has unused lines of credit that could be drawn upon should there be a need. The Company is also in the process of negotiating additional facilities with Banks for funding its requirements.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	As at March 31, 2022					
	Carrying amount	**Contractual cash flows**	**0-12 months**	**1-3 years**	**3-5 years**	**> 5 Years**
Non-derivative financial liabilities						
Borrowings from banks	65,748	76,222	28,430	28,324	14,997	4,471
6% Compulsory convertible debentures	30,200	16,308	1,812	3,624	3,624	7,248
Borrowings from holding company	900	1,089	63	1,026	-	-
Borrowings from others	-	-	-	-	-	-
Bank overdraft	13	13	13	-	-	-
Lease Liabilities	18,162	37,644	2,432	5,059	5,450	24,703
Trade payables	5,593	5,593	5,593	-	-	-
Other financial liabilities	20,174	20,174	20,174	-	-	-
	1,40,790	1,57,043	58,517	38,033	24,071	36,422

As at March 31, 2021

	As at March 31, 2021					
	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	> 5 Years
Non-derivative financial liabilities						
Borrowings from banks	35,628	41,089	15,486	18,571	7,032	-
Borrowings from others	294	309	309	-	-	-
Bank overdraft	173	173	173	-	-	-
Lease liabilities	18,002	27,525	3,307	6,137	5,440	12,641
Trade payables	8,797	8,797	8,797	-	-	-
Other financial liabilities	10,086	10,086	10,086	-	-	-
	72,980	**87,979**	**38,158**	**24,708**	**12,472**	**12,641**

Market risk:

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and the market value of its investments. Thus the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

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

Currency risk:

The Company's exposure in USD, Euro and other foreign currency denominated transactions gives rise to Exchange rate fluctuation risk. Company's policy in this regard incorporates:

- Forecasting inflows and outflows denominated in US$ for a twelve-month period
- Estimating the net-exposure in foreign currency, in terms of timing and amount.
- Determining the extent to which exposure should be protected through one or more risk-mitigating instruments to maintain the permissible limits of uncovered exposures.
- Carrying out a variance analysis between estimate and actual on an ongoing basis, and taking stop-loss action when the adverse movements breaches the 5% barrier of deviation, subject to review by Board of Directors.

The Company's exposure to foreign currency risk as at March 31, 2022 was as follows:

All amounts in respective currencies as mentioned (in lakhs)

	Cash and bank balances	Trade receivables	Trade payables	Foreign currency loans	Net Balance Sheet exposure
USD	*	40	(1)	(45)	(6)

The Company's exposure to foreign currency risk as at March 31, 2021 was as follows:

All amounts in respective currencies as mentioned (in lakhs)

	Cash and bank balances	Trade receivables	Trade payables	Foreign currency loans	Net Balance Sheet exposure
USD	-	12	(1)	(20)	(9)

A 10% strengthening of the rupee against the respective currencies as at March 31, 2022 and March 31, 2021 would have increased / (decreased) other comprehensive income and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Other comprehensive income	Profit/(loss)
March 31, 2022	-	41
March 31, 2021	-	64

A 10% weakening of the rupee against the above currencies as at March 31, 2022 and March 31, 2021 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk:

Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company.

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were as follows:

	Carrying amount	
	March 31, 2022	March 31, 2021
Fixed rate instruments		
Financial assets		
- Fixed deposits with banks	13,314	655
Financial liabilities		
- Borrowings from banks	-	-
- Borrowings from others	31,100	294
Variable rate instruments		
Financial liabilities		
- Borrowings from banks	65,748	35,628
- Bank overdrafts	13	173

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

Fair value sensitivity for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity for variable rate instruments

An increase of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Equity	Profit or (loss)
March 31, 2022	-	(563)
March 31, 2021	-	(278)

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

35. CONTRIBUTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013, the amounts required to be spent by the Company during the years ended March 31, 2022 and March 31, 2021 towards Corporate Social Responsibility (CSR) are ₹ 52 and ₹ Nil respectively. The details of CSR expenditure and CSR activities carried out by the Company are as follows.

	For the year ended March 31, 2022	For the year ended March 31 2021
Amount required to be spent during the year	52	-
Amount of expenditure incurred	52	-
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-

Nature of CSR activities

The details of CSR activities carried out by the Company are as follows:

Name of the Organisation	Nature of activity	For the year ended March 31, 2022	For the year ended March 31 2021
Voluntary Health Services, Chennai	Promotion of health care	5	-
Shree Anand Charitable Trust, Mumbai	Livelihood enhancement	25	-
Raju Vegesna Foundation, Visakhapatnam*	Livelihood enhancement	22	-
Total		52	-

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

36. BUSINESS ACQUISITION

Pursuant to the Business Transfer Agreement ('BTA') entered on January 28, 2021 the Company acquired Data Center services business from its holding company Sify Technologies Limited with the appointed date being April 01, 2020. All the assets and liabilities relating to Data Center services business have been transferred at the book value from the appointed date of April 01, 2020. The consideration is settled by way of issue of equity shares at par.

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

The carrying amount of assets and liabilities transferred is as follows:

	As at 01 April, 2020
ASSETS	
(1) Non-current assets	
(a) Property, Plant and Equipment	62,083
(b) Right-of-use Assets	15,822
(c) Capital work in progress	8,652
(d) Intangible assets	134
(e) Financial assets	
(i) Investments	17
(ii) Other financial assets	1,168
(f) Other non-current assets	4,112
	91,988
(2) Current assets	
(a) Financial assets	
(i) Trade receivables	13,183
(ii) Cash and cash equivalents	4,501
(iii) Other financial assets	854
(b) Other current assets	605
	19,143
Total Assets	**1,11,131**
LIABILITIES	
(1) Non - current liabilities	
(a) Financial liabilities	
(i) Borrowings & Lease liabilities	27,152
(b) Provisions	82
	27,234
(2) Current liabilities	
(a) Financial liabilities	
(i) Borrowings	4,064
(ii) Trade payables	
Total outstanding dues to micro enterprises and small enterprises	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	9,998
(iii) Other financial liabilities	18,234
(b) Other current liabilities	1,596
(c) Provisions	5
	33,897
Total Liabilities	**61,131**
Excess of Assets over Liabilities	50,000
Represented by	
Shareholder's Funds	
Equity Share Capital	50,000

The consideration payable for acquisition of Data Center service business was discharged by the Company through issue of 50,00,00,000 equity shares of ₹ 10 each at par, as fully paid-up.

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

37. CONTRACT BALANCES

The following table provides information about receivables, contract assets and contract liabilities from the contracts with the customers

Particulars	March 31, 2022	March 31, 2021
Trade Receivables	32,132	18,788
Contract liabilities - Deferred Income	2,675	1,234

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

Particulars	March 31, 2022	March 31, 2021
Opening balance	1,234	-
Add: Transferred through BTA	-	1,466
Less: Revenue recognized during the year	71,885	52,819
Add: Invoiced during the year but revenue not recognised	73,326	52,587
Closing balance	2,675	1,234

Costs to fulfil customer contracts are deferred and amortized over the contract period. For the year ended March 31, 2022 the Company has capitalised ₹ 3,312 and amortised ₹ 784. There was no impairment loss in relation to the capitalised cost.

38. DUES TO MICRO, SMALL OR MEDIUM ENTERPRISES

As per the Office memorandum issued by the Ministry of Micro, Small and Medium Enterprises dated August 26, 2008 recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022 and March 31, 2021 has been made in the financial statements based on information received and available with the Company. As the records available with the company, there are no dues payable to micro, small and medium enterprises as on March 31, 2022 (Previous year: Nil). The Company has not received any claim for interest from any supplier as at the balance sheet date.

	Particulars	As March 31, 2022	As March 31, 2021
a.	the principal amount and the interest due thereon remaining unpaid at the end of accounting year	-	-
b.	the amount of interest paid by the buyer beyond the appointed day during the accounting year	-	-
c.	the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d.	the amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
e.	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

39. CAPITAL MANAGEMENT

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximise shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The Company does so by adjusting dividend paid to shareholders. The total capital as on March 31, 2022 is ₹ 66,921 (previous year: ₹ 58,360).

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting period was as follows:

		As at	
		March 31, 2022	March 31, 2021
Debt		96,861	36,095
Less: cash and bank balances		(18,850)	(1,223)
Net debt	A	78,011	34,872
Equity	B	66,921	58,360
Net debt to Equity ratio	A/B	117%	60%

40. ADDITIONAL REGULATORY INFORMATION

Clause (i)

The title deeds of the following immovable properties are not held in the name of the company

Relevant item in the Balance Sheet	Description of item of property	Gross carrying amount	Title deeds held in the name of	Relationship with title holder	Property held since which date	Reason for not being held in the name of the company
Right of Use Asset	Rabale - Land	8,510	Sify Technologies Limited	Holding Company	April 01, 2020	Refer Note below
Building	Rabale - Building	24,864	Sify Technologies Limited	Holding Company	April 01, 2020	
Right of Use Asset	Vashi - Building	1,354	Sify Technologies Limited	Holding Company	April 01, 2020	
Right of Use Asset	Airoli - Building	6,372	Sify Technologies Limited	Holding Company	April 01, 2020	

Note

The property was transferred to the Company from its holding company pursuant to Business Transfer Agreement entered on January 28, 2021. However, the title transfer is pending for registration with local authority.

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

Clause (ii)

The Company do hold any investment property. Hence, disclosure under said clause does not apply.

Clause (iii)

The Company has not done any revaluation of Property, Plant and Equipment. Hence the disclosure under this clause does not apply.

Clause (iv)

The Company has not done any revaluation of intangible assets and hence the disclosure under this clause does not apply.

Clause (v)

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

Clause (vi)

The following table presents the aging of the Capital Work in progress for the year ended March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	**1 to 2 Years**	**2- 3 Years**	**> 3 Years**	
Projects in progress	22,647	-	1,932	-	24,579
Projects temporarily suspended	-	-	-	-	-
Total	22,647	-	1,932	-	24,579

The following table presents the aging of the Capital Work in progress for the year ended March 31, 2021

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	**1 to 2 Years**	**2- 3 Years**	**> 3 Years**	
Projects in progress	233	3,402	308	53	3,996
Projects temporarily suspended	-	-	-	-	-
Total	**233**	**3,402**	**308**	**53**	**3,996**

Project execution plans are mandated based on capacity assessments and customer requirements on a periodical basis and all projects are executed as per rolling annual plan.

Clause (vii)

There are no intangible assets under development and hence disclosure under said clause does not apply.

Clause (viii)

There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder

Clause (ix)

The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts

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

Clause (x)

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

Clause (xi)

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

Clause (xii)

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

Clause (xiii)

The company has complied with number of layers prescribed under clause (87) of Section 2 of the Act, read with Companies (Restrictions on number of Layers) Rules, 2017

Clause (xiv)

Key Ratios as per Schedule III

S. No	Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reasons for variance (where variance is > 25%)
1	Current Ratio (in times)	Current assets	Current Liabilities	1.38	0.90	53%	On account of increase in deferred contract cost on customer engagements and due to increase in fixed deposits in Cash and Cash Equivalents
2	Debt Equity Ratio (in times)	Total Debt = Total of current and non current portion of term loans and lease liabilities	Shareholder's funds	1.53	0.85	80%	On account of issue of CCDs to Kotak Special Situations Fund and to Sify Technologies Limited for INR 302 Crores
3	Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	1.71	2.17	(21)%	

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

S. No	Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reasons for variance (where variance is > 25%)
4	Return on equity ratio (in %)	Net Profits after taxes less preference dividend (if any)	Average total Equity	13.69%	14.50%	(6)%	
5	Inventory Turnover ratio (in times)	COGS = Purchase of stock-in-trade + Change in Inventory	Average inventory	NA	NA	NA	
6	Trade receivables turnover ratio (in times)	Revenue from operations (considered inclusive of GST since trade receivables is inclusive of GST)	Average receivables	3.49	4.13	(15)%	
7	Trade payables turnover ratio (in times)	Net Credit Purchases = Cost of services rendered + Employee benefits expense - ESOP expenses	Average payables	4.58	2.60	76%	On account of increase in customer engagements revenue has increased as also cost of services rendered
8	Net capital turnover ratio (in times)	Revenue from operations	Average Working capital	11.93	(13.09)	(191)%	Due to increase in working capital through increase in closing cash balance
9	Net profit ratio (in %)	Profit for the year	Revenue from operations	11.31%	14.02%	(19)%	
10	Return on capital employed (in %)	Profit for the year	Capital Employed = Shareholder funds + Total Debt + Deferred Tax Liability	5.17%	7.53%	(31)%	Due to increase in borrowed capital on account of issue of CCDs which is yet to be utilised
11	Return on Investments			NA	NA	NA	There are no investments held for the purpose of earning periodic returns nor for capital appreciation

Clause (xv)

There are no scheme(s) of arrangements that are approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013 during the year.

Clause (xvi)

The company has not advanced or loanded or invested funds to other persons or entities with the understanding that the intermediary shall directly or indirectly lend or invest by or on behalf of the company or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

As per our report of even date attached.

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

K S Y Suryanandh
Partner
Membership No.: 237830

Hyderabad
April 18, 2022

For and on behalf of the Board of Directors

C R Rao
Director

Raju Vegesna
Director

V Ramanujan
Chief Financial Officer

D J Poornasandar
Company Secretary

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