

SIFY TECHNOLOGIES LTD  
Form 20-F  
July 31, 2013

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

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**FORM 20-F**

(Mark One)

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

**Or**

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

**For the fiscal year ended March 31, 2013.**

**Or**

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

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

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

**Date of event requiring this shell Company report \_\_\_\_\_**

**Commission file number 000-27663**

**Sify Technologies Limited**

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

Not Applicable

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

Chennai, Tamil Nadu, India

*(Jurisdiction of incorporation or organization)*

Tidel Park, 2nd Floor

4, Rajiv Gandhi Salai

Taramani, Chennai 600 113 India

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

*(Address of principal executive office)*

M.P.Vijay Kumar, Chief Financial Officer, (91) 44-2254-0770; vijaykumar.mp@sifycorp.com

Tidel Park, 2nd Floor, 4, Rajiv Gandhi Salai, Taramani, Chennai 600113 India

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

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

Title of each class	Name of each Exchange on which registered
American Depository Shares, each represented by One Equity Share, par value Rs.10 per share	NASDAQ Global Select Market

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

Title of each class	Name of each Exchange on which registered
None	Not Applicable

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

Not Applicable

*(Title of class)*

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

178,513,589 Equity Shares.

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

Yes  **No**

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

Yes  **No**

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

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

**Yes**  **No**

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

Yes  **No**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  **Accelerated filer**  Non-accelerated filer

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

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

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

Yes  No

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### **Currency of Presentation and Certain Defined Terms**

Unless the context otherwise requires, references in this annual report to “we,” “us,” the “Company,” “Sify” or “Satyam Infoway” are to Sify Technologies Limited, a limited liability Company organized under the laws of the Republic of India. References to “U.S.” or the “United States” are to the United States of America, its territories and its possessions. References to “India” are to the Republic of India. In January 2003, we changed the name of our Company from Satyam Infoway Limited to Sify Limited. In October 2007, we again changed our name from Sify Limited to Sify Technologies Limited. “Sify”, “SifyMax.in,” “Sify e-ports” and “Sify online” are trademarks used by us for which we have already obtained registration certificates in India. All other trademarks or trade names used in this Annual Report on Form 20-F for the year ended March 31, 2013 (the “Annual Report”) are the property of their respective owners. In this Annual Report, references to “\$,” “Dollars” or “U.S. dollars” are to the legal currency of the United States, and references to “Rs.,” “rupees” or “Indian rupees” are to the legal currency of India . References to a particular “fiscal” year are to our fiscal year ended March 31 of such year. References to the “Group” mean Sify Technologies Limited and its subsidiaries. References to “equity shares” refer to our Indian Equity Shares, which are not traded on an exchange in India or the United States. References to “ADS’s” refer to our American Depositary Shares, which are traded on the NASDAQ Global Select Market under the symbol “SIFY.”

For your convenience, this Annual Report contains translations of some Indian rupee amounts into U.S. dollars which should not be construed as a representation that those Indian rupee or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Indian rupees, as the case may be, at any particular rate, the rate stated below, or at all. Except as otherwise stated in this Annual Report, all translations from Indian rupees to U.S. dollars contained in this Annual Report have been based on the reference rate in the City of Mumbai on March 31, 2013 for cable transfers in Indian rupees as published by the Reserve Bank of India (RBI), which was Rs.54.39 per \$1.00.

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

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

## Forward-Looking Statements

This Annual Report contains “forward-looking statements”, as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are based on our current expectations, assumptions, estimates and projections about our Company, our industry, economic conditions in the markets in which we operate, and certain other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'anticipate', 'believe', 'estimate', 'expect', 'may', 'intend', 'will', 'project', 'seek', 'should' and similar expressions. Those statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources. These statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements include, but are not limited to, those discussed in the “Risk Factors” section in this Annual Report. In light of these and other uncertainties, you should not conclude that the results or outcomes referred to in any of the forward-looking statements will be achieved.

We operate in rapidly changing businesses, and new risk factors emerge from time to time. We cannot predict every risk factor, nor can we assess the impact, if any, of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. All forward-looking statements included in this Annual Report are based on information available to us, and reflect management’s beliefs, on the date hereof, and we do not undertake to update these forward-looking statements to reflect future events or circumstances. In addition, readers should carefully review the other information in this Annual Report and in our periodic reports and other documents filed with the United States Securities and Exchange Commission (“SEC”) from time to time.

**PART I**

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

Not applicable.

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

Not applicable.

**Item 3. Key Information**

**Selected Financial Data**

**Summary of Consolidated Financial Data**

You should read the summary consolidated financial data below in conjunction with the Company's consolidated financial statements and the related notes, as well as the section entitled "Operating and Financial Review and Prospects," all of which are included elsewhere in this Annual Report. The summary consolidated statements of income data for the five years ended March 31, 2013, 2012, 2011, 2010 and 2009 and the summary consolidated Statement of Financial Position as of March 31, 2013, 2012, 2011, 2010 and 2009, have been derived from our audited consolidated financial statements and related notes to the consolidated financial statements which were prepared and presented in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB). Historical results are not necessarily indicative of future results.

**Sify Technologies Limited**  
**Consolidated Statement of Income**  
(In thousands of Rupees, except share data and as otherwise stated)

	Year ended March 31,					2013
	2013	2012	2011 Rs	2010 Rs	2009 Rs	Convenience translation into US\$ in thousands, except share and per share data (See Note1)
Revenue	8,570,316	7,698,949	6,886,629	6,710,188	6,162,161	157,572
Cost of goods sold and services rendered	(4,750,879)	(4,660,773)	(4,209,430)	(4,096,538)	(3,613,349)	(87,348)
Other income	50,858	37,377	72,693	131,789	89,105	935
Selling, general and administrative expenses	(3,041,505)	(2,547,209)	(2,441,799)	(2,482,415)	(2,813,425)	(55,920)
Depreciation and amortization	(848,210)	(691,560)	(685,836)	(656,797)	(498,872)	(15,595)
Impairment loss on intangibles including goodwill	-	-	(1,857)	(47,269)	(15,200)	-
Income from legal settlement	-	-	-	561,120	-	-
<b>Profit / (loss) from operating activities</b>	<b>(19,420)</b>	<b>(163,216)</b>	<b>(379,600)</b>	<b>120,078</b>	<b>(689,580)</b>	<b>(356)</b>
Finance income	73,853	59,313	45,698	27,994	122,565	1,358
Finance expenses	(260,441)	(306,732)	(258,622)	(293,873)	(251,660)	(4,788)
<b>Net finance income / (expense)</b>	<b>(186,588)</b>	<b>(247,419)</b>	<b>(212,924)</b>	<b>(265,879)</b>	<b>(129,095)</b>	<b>(3,430)</b>
Profit from sale of equity accounted investee and	657,577					12,090



rights therein						
Share of profit of equity accounted investee (net of income tax)		27,298	73,032	91,135	64,091	-
<b>Profit / (loss) before tax</b>	<b>451,569</b>	<b>(383,337)</b>	<b>(519,492)</b>	<b>(54,666)</b>	<b>(754,584)</b>	<b>8,300</b>
Income tax (expense) / benefit	-	-	-	81,479	(97,049)	-
<b>Profit / (loss) for the year</b>	<b>451,569</b>	<b>(383,337)</b>	<b>(519,492)</b>	<b>26,813</b>	<b>(851,633)</b>	<b>8,300</b>
<b>Attributable to:</b>						
Equity holders of the Company	451,569	(383,337)	(519,492)	17,027	(900,574)	8,300
Non-controlling interest		-	-	9,786	48,941	-
	<b>451,569</b>	<b>(383,337)</b>	<b>(519,492)</b>	<b>26,813</b>	<b>(851,633)</b>	<b>8,300</b>
<b>Earnings / (loss) per share</b>						
Basic earnings / (loss) per share	3.43	(3.71)	(8.20)	0.33	(20.77)	0.06
Diluted earnings / (loss) per share	3.43	(3.71)	(8.20)	0.33	(20.77)	0.06

**Particulars**

(Rupees in thousands, except share and per share data)

**Balance Sheet data**

	March 31,					Convenience translation into US\$ in thousands, except share and per share data (see note 2)
	2013	2012	2011	2010	2009	2013
	Rs	Rs	Rs	Rs	Rs	\$
Cash and cash equivalents including restricted cash	1,001,052	892,768	543,097	878,698	1,710,798	18,409
Net current assets	755,219	995,834	(36,354)	(46,814)	(175,993)	13,885
Total assets	11,799,408	10,582,818	9,238,371	9,345,824	9,145,555	216,944
Total equity attributable to equity shareholders of the Company	6,311,422	5,850,654	4,665,792	4,171,092	3,851,693	116,040
<b>Cash Flow Data</b>						
<b>Net cash provided by (used in):</b>						
Operating activities	463,407	600				