sɪfy

Disrupting
the now

Driving
the next

Integrated Report 2022–23

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Disrupting the now. Driving the next.

- Dynamism
- Innovation
- Far-sightedness
- Future-ready

These are the qualities Sify Technologies Limited (Sify) embodies in everything it does.

The Company is driven by its unyielding desire to shatter the existing norms and continuously challenge the status quo. This bold and daring attitude is crucial for staying ahead in the ever-changing world of technology. Known for its innovative and cutting-edge solutions, Sify is committed to pushing the limits and exploring new possibilities – thus "Disrupting the now".

Not resting on its laurels or being content with the present, the Company is focused on identifying emerging trends in technologies and harnessing them to shape the future. By leading the charge in the next wave of technological innovation, Sify is asserting its position as a pioneer in the industry, ensuring its continued relevance and prosperity – thus "Driving the next".

From being the disruptors to emerging as the enablers today, the Company is determined to stay ahead of the curve and forge the future of technology – helping clients in their digital transformation journey and creating unmatched value for them.

FY 2023 at a glance

Financial

Revenue:
INR 3,34,037 Lakh,
▲ 24% over FY 2022

EBITDA:
INR 62,907 Lakh,
▲ 4% over FY 2022

PAT:
INR 6,745 Lakh,
▼ 46% over FY 2022

Capex:
INR 132,210 Lakh

Environment*

Water efficiency
initiatives undertaken:
▲ 6%

Energy leakages:
▼ 3%

Water intensity per
employee:
▼ 0.55 Kl

Share of renewables:
▲ 14%

Social*

Hours spent in
e-learning:
38,592

CSR spend:
~INR 331 Lakh

Ratio of women
employees:
▲ 1%

Total customers:
~10,000

Governance*

An equal opportunities
employer

An ethical and fair business

Strong focus on anti-bribery
and anti-corruption

No complaints related to
child or forced labour

No environmental, social
or ethical violations

Operational

Undertook a materiality mapping to identify issues
important to the our stakeholders ecosystem in June 2022

Reported on our first Sustainability coverage according to
all Global Reporting Initiatives, standards and frameworks

Started a DEI (Diversity, Equality and Inclusion) Council in
August 2022

*All data points are in comparison to FY 2022

About our Integrated Report

Taking forward our commitment of responsible and sustained value creation for our stakeholders, we are pleased to present our seventh Integrated Report. It provides our stakeholders with information on our processes and operations, performance, governance, value creation, and the steps we are taking toward our vision of empowering customers with our converged Information and Communications Technology (ICT) ecosystem.

Scope of reporting

Reporting period and precinct

The report, published annually, covers material information relating to the performance, value-creation story of the Company's Indian and international operations and its two significant subsidiaries, Sify Infinit Spaces Limited and Sify Digital Services Limited from 1 April, 2022 to 31 March, 2023.

Financial and non-financial reporting

The report extends beyond financial reporting and includes non-financial performance, opportunities, risks, and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

Source

This icon represents the supplementary reports/links from which the information has been sourced from.

Stakeholders

The below icons are used to represent the Company's stakeholders

Shareholders and investors

Employees

Vendors

Partners

Customers

Community

Report alignment

This report aligns with the principles and guidelines of the:

- International Integrated Reporting <IR> framework of the IFRS Foundation

- United Nations Sustainable Development Goals (UN SDGs)

- United Nations Global Compact Principles (UNGC)

- National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE)

- The Global Reporting Initiative (GRI) Standards

- The Companies Act, 2013 (and the rules made thereunder)

- Indian Accounting Standards and International Financial Reporting Standards

Responsibility of the Board

The Board of Directors acknowledges its responsibility to ensure the completeness of this Integrated Report. Accordingly, the report addresses all material issues and presents the integrated performance of the Company and its impact in a fair and accurate manner.

Values

Sify's ethos lies in the "Sify Way" of doing things. Everyone who is part of the Sify family is expected to conduct themselves by these values. The seven tenets of the Sify Way are embedded in the Company's corporate governance practices and provide guidance and direction:

1. Put customers' needs first

2. Be accountable

3. Treat others with dignity

4. Be action-oriented

5. Have the courage to confront issues

6. Always remember that you are part of the Sify team

7. Protect Sify's interests always

Throughout the report, we have mapped these values to relevant sections to showcase our commitment to the Sify Way.

Approach to capitals

	Financial capital	Manufactured capital	Intellectual capital
Description	**Funds secured for business investment and day-to-day operations**	**Tangible infrastructure deployed to provide services**	**Intangible knowledge -based assets**
Our approach	Generate sufficient liquidity to fund strategic growth initiatives Click here to read more	Maintain and create assets that deliver superior services Click here to read more	Cultivate innovation as a key component of growth Click here to read more

Materiality assessment

This Report also focuses on factors that have the potential to impact our ability to create value in the short, medium, and long term that are important to our stakeholders. Sify Technologies has assessed its material topics over the course of the year by analyzing its risks and opportunities, identifying stakeholder groups, and engaging periodically across multiple channels with them to ascertain their concerns and interests. In FY 2023, Sify categorized its material topics under the fields of Economy, Environment, Social, and Governance and integrated them into its long-term plans.

Core elements

Our 2022-23 Integrated Report adequately showcases our integrated organizational strategy, considering important risks and valued inputs from our stakeholders. Our report is defined by the contours of the material topics derived and further elaborated in our six <IR> capitals. We also endeavor to ensure that this Report addresses the impact and use of the capitals on our strategic and business models.

Human capital	Social and relationship capital	Natural capital
People skills deployed in running business operations	Collaborating and communicating with stakeholders & society building	Natural resources consumed by business operations
Nurture an inclusive and balanced work environment	Build trust among stakeholders and participate in community development	Reduce the burden of business operations on the planet
Click here to read more	Click here to read more	Click here to read more

Forward-looking statement

Certain statements in this document constitute 'forward-looking statements' which involve known and unknown risks, opportunities, uncertainties and other important factors that could turn out to be materially different following the publication of actual results.

These forward-looking statements speak only as of the date of this document. The Company undertakes no obligation to publicly update, or release any revisions to these forward-looking statements, to reflect events or circumstances after the date of this document or to reflect the occurrence of anticipated events.

Leading towards the **'Next'**

■ Sify has been consistently pushing the boundaries of innovation and technology under the able guidance and vision of its leaders. They are driven by a common goal of becoming a leading player in the digital transformation space while driving sustainability efforts. Amidst the transforming business eco-system, where a fast-paced digital transformation is sweeping the world, Sify's management is constantly striving to seize the 'next' by disrupting the 'now'. Driving it, is their vision of a future that is bigger, better, and more inclusive, not just for the Company but for every enterprise that it partners with in their transformational journey.
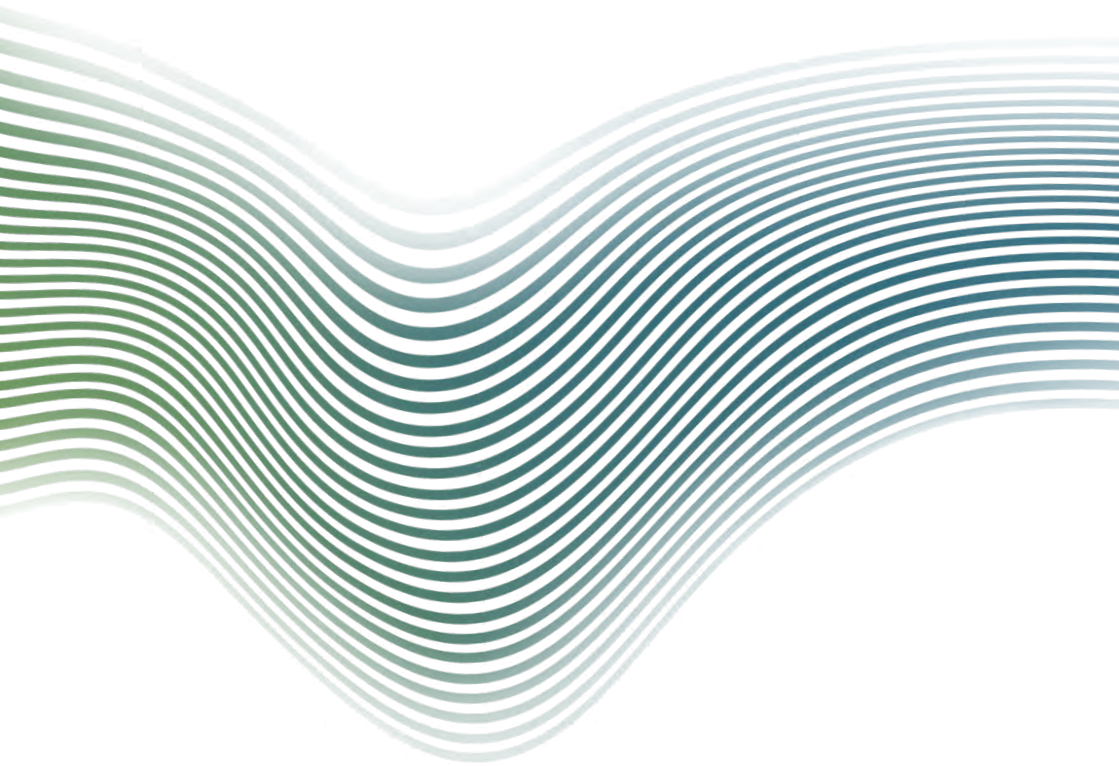
From the Global Chairman and Managing Director's desk

Leveraging a world full of opportunities

Friends,

The Covid-19 pandemic is largely behind us, but the marked shift it catalyzed in business operations has unleashed a new wave of transformation for enterprises globally. The unprecedented demand for digitalization, triggered by this new reality has led to massive growth in digital opportunities. It has resulted in an aggressive adoption of digital tools, which coupled with India's inherent resilience has worked well for our economy.

It has become quite evident in the past couple of years that the Indian economy is not easily disturbed by changes in the business environment. The country has displayed remarkable insulation against the pandemic-led disruptions and prevailing global recession sentiments. Its strong fiscal fundamentals and its attractiveness as a safe investment geography have put the country at the lead of the global growth trajectory.

Favourable government policies driving IT growth

Right through the global geopolitical turmoil, which has caused unprecedented inflation and spikes in input costs across countries, India has retained a strong outlook for investments and growth. In large part, this is due to the consistent economic policies of the government, and its stated ambition to pursue digital methods of delivering social benefits.

In fact, the Government has invested heavily in ensuring that the economic agenda stays on course, and digital efforts begin to deliver the intended social welfare gains. The government's larger agenda of ensuring that social measures reach the intended beneficiaries is a work in progress, that continues to drive domestic IT demand.

The technology landscape has been the biggest beneficiary of these policies, reflecting in the growing number of incoming requests for digital transformation. We see Indian enterprises using this opportunity to adopt the best practices from around the world. A growing number of domestic enterprises and start-ups are banking on this positive sentiment supported by the government's favourable policies to accelerate their digital transformation journey. International demand is expected to continue due to the comparable attractiveness of the Indian market, in spite of a tightening world economy. The influx of MNCs into India is also bringing both opportunities and technologies to our shores.

① ② ③ ④ ⑤ ⑥ ⑦

Data Centers pushing the opportunity matrix

Quite evidently digital adoption in India is moving onto the fast lane of growth. India is among the top countries globally in terms of digital adoption, as per Gold and MeiTY 2020 report.

With the digital tsunami sweeping the country and pushing growth significantly, the Indian digital economy is expected to reach USD 1 Trillion by 2025. The growing number of smartphone users, rapid e-commerce expansion, development of smart cities, and expanding e-learning opportunities are the key contributors to these growth projections.

According to "Data centres in India: 2021 overview and three-year outlook" by JLL, India's DC industry is expected to continue on its growth trajectory, reaching 1,400 MW by 2025. Mumbai and Chennai are expected to account for 68% of the total capacity in 2024 owing to their infrastructure advantages.

Data centers to power up Indian economy

DCs were classified as infrastructure assets from April 2022.

India's DC market is anticipated to reach USD 4.6 Billion by 2025 according to a report by NASSCOM.

The Indian DC market currently houses an estimated 445 MW of critical IT capacity.

In 2021, government introduced 'Hyperscale data center scheme' worth INR 12,000 crore (USD 160.3 Million) to facilitate the installation of data centers in the country.

Cloud market showing rapid growth

India's cloud market is also on an upward trajectory with 5X growth reported
in five years. The overall Indian public cloud services market is expected to
grow at 23.1% CAGR from 2021 to 2026, reaching USD 13 Billion by 2026.

🌐 International Data Corporation

Hyperscale Cloud Revenue

Total: USD 155.6Bn By Region (2022)

Rest of Europe (RU)
USD 16.2Bn

China
USD 15.6Bn

East Asia
USD 7.2Bn

Canada
USD 2.5Bn

United Kingdom (UK)
USD 10.7Bn

United States
USD 79Bn

India
USD 5.0Bn

South East Asia
USD 12.7Bn

Latin America
USD 2.6Bn

**Middle East/
Africa (MEA)**
USD 1.1Bn

**Australia/
New Zealand (ANZ)**
USD 3.1Bn

🌐 Market Share Report: Hyperscale Cloud Q3 2022

India Data Center market
CAGR 2023-2029 (%)

Tier 1 & 2	Tier 3	Tier 4
3.3	16.2	29.54
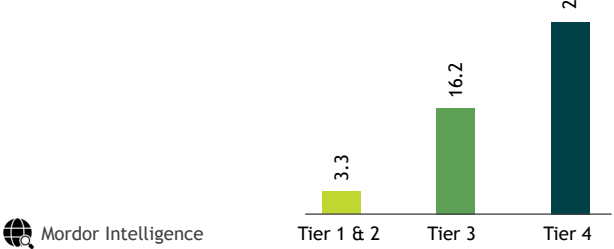
🌐 Mordor Intelligence

5G fueling new economic opportunities

India's Economic Survey for 2022-23 says the rollout of 5G services in India could unleash new economic opportunities. According to the report, the 5G revolution will help the country leapfrog the traditional barriers to development, spur innovations by startups and business enterprises and advance the "Digital India" vision.

The 5G wave: Here's how India stands

4G subscriptions in the country

2027 (projected) 55%

2021 68%

5G will account for **roughly 40%** of all mobile subscriptions in the country

In the next five years

India is predicted to have over 500 Million 5G subscribers

Average data traffic smartphone

2027 (projected) **50GB/month** ^16% CAGR rise

20GB/month 2021
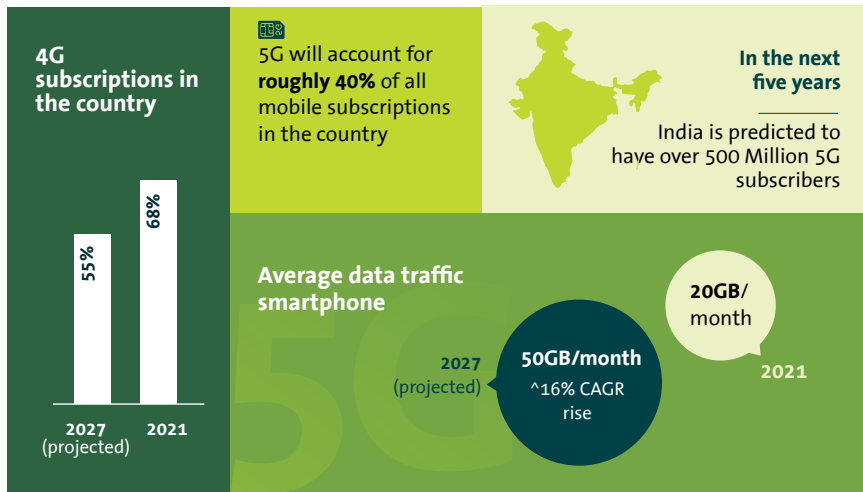
Ericson Mobility Report

Startup revolution catalyzing digital growth

India's startup revolution is another positive driver of its digital growth. As of August 29, 2022, India had emerged as the world's third-largest startup ecosystem, with over 77,000 DPIIT-recognized startups spread across 656 districts.

Sify is at the right place at the right time

The future is clearly full of promises and possibilities. India is still in the early stages of realizing its full potential, which opens up large vistas of opportunity for us, to grow and scale ourselves.

According to the "India's Digital Future: A Tale of Two Sectors" report by McKinsey & Company, India's digital

economy is expected to grow to USD 1 Trillion by 2025, and the country's digital infrastructure and services are set to play a critical role in this journey. Consumer internet and enterprise technology will be the two crucial sectors fuelling this growth. In the consumer internet sector, India's online user base is set to grow to 900 Million by 2025 with a significant portion of this growth coming from rural areas. In the enterprise technology sector, India's small and medium-sized business (SMB) sector is expected to be a key driver of digital adoption, with SMBs set to spend USD 80 Billion on digital services by 2025.

With our range of technology and digital services and focus on the SMB sector, we are at the right place at the right time to drive digital growth in India and deliver value to our customers. This positivity stems from the fact that the Company's strategy is powered by strong enablers, and is driven by its expertise and experience in each of the business segments of its presence. Our robust presence in both the DC and the Network Infrastructure space positions us ideally to build on the gains we have secured over the years. At the same time, our financial strength and our focus on augmenting our efficiencies have emerged as important pillars of our strategic approach.

I am confident that our strategy of focusing on value-driven growth, balance sheet strengthening, and cementing customer connect will enable us to successfully leverage the emerging and existing opportunities across our business verticals.

Looking forward to new successes

We are currently scaling up our Metro networks and edge connects at all our DCs with the clear visibility that hyperscalers will come calling for Cloud interconnects and Built-to-Suit premises. We have also laid out an aggressive roadmap to support the domestic demand that are expected to emerge once the regulations around DCs and data protection become evident and accepted. We have crystallized plans to grow our DC capacity to 350 MW in the next 2 years on the back of guaranteed demand. This will account for one-fourth of India's DC capacity, which is expected to reach 1,400 MW by 2025 (Source: 'Data centre in India: 2022 year-end update and three-year outlook' by JLL). That said, given the size of the capex being parked against projects, we will be driving a concentrated effort to ensure much of this capacity has buyers on fulfilment.

In conclusion, I would like to extend my gratitude, and that of my colleagues, to all our customers, employees, business partners, government agencies, and other stakeholders for their continued support and faith in the Company. I look forward to their sustained cooperation and contribution as we move forward, with even greater commitment and optimism to scale the next level of growth and value creation for all of us.

Raju Vegesna

From the CEO's desk

Building on the 'Now' for a stronger 'Next'

Dear Shareholders,

Today, we live in the new digital world order. The pandemic-catalyzed global transformation has caused Indian enterprises to fast-track their digital initiatives. Businesses across the country are moving with agility on their digital transformation trajectory with their strategy guided by their success in navigating the pandemic. Organizations are now operationalizing pandemic-era innovations, and prioritizing the development of businesses-aligned digital models. There is an enhanced focus on enriching end-user experience, deploying resilient business continuity models, and mitigating security risks.

Against this backdrop, our Data Center and Cloud services, as well as Digital and Network services have emerged as important building blocks to enable customers' business priorities. We are making strategic investments across business segments, with the aim of making them more responsive to evolving customer needs and driving Sify's future growth.

Facilitating the digital transformation of enterprises

At Sify, our focus is on augmenting our core strengths to help align our business model with the new reality. With enterprises moving swiftly towards digital adoption across various levels, we are proactively supporting our customers as they leverage digital transformation, to spark innovation across the enterprise. As more customers transition towards delivering their new initiatives on a digital-only platform, we are harnessing our core strengths and expertise to support this shift effectively and seamlessly.

Earlier, our mandate was to accelerate our clients' transformation goals, our cloud-focused digital initiatives are now required to create new business processes, customer experiences with greater cost-effectiveness. What we are seeing is a growing interest among enterprises in outcome-based initiatives, incoming policies around data, and the government's aggressive adoption of all things digital. These developments are acting as tailwinds for our Data Center, Network, and Digital services, and we are striving actively to make the most of the opportunity.

Sify Technologies Limited

Taking the 'Now' to the 'Next'

The reorganizing of our business in the previous fiscal laid the ground for Sify to respond effectively to the emerging needs of enterprises in DC, Cloud, IT, and Network enablement services. During FY 2023, our thrust was on steering transformation efforts towards a more structured strategic framework, leading us towards the next level of our expansion and growth.

Sify is poised to take on the future with its future-proof services, thanks to its combined tripartite strengths to deliver exceptional value to its customers. By driving partnerships with like-minded partners and leveraging the best-in-the-business, Sify is well-positioned to offer integrated services of value. With a unified leadership team guiding a singular vision, we are ready to embrace the future with confidence and deliver innovative solutions that meet the evolving needs of our customers.

Outlook for the coming years

Amid the evolving market trends and consumer expectations, I see a strong potential for Sify to scale its business and value proposition

for itself and its stakeholders. As India's only converged ecosystem offering the full gamut of Data Center, IT and Network enablement services including intra-country connectivity, Sify holds a strong competitive edge that will stand it in good stead going forward.

Technological disruption is here to stay. In fact, it would be right to call it an imperative rather than an option for enterprises looking at long-term, sustainable growth. As a preferred partner for businesses striving for impactful digital change, Sify is well placed to strengthen its position as a complete solutions provider in the digital arena. Our well-crafted strategic approach, coupled with our strong presence across the segments showing the maximum potential for exponential growth, offer the right recipe for enterprises looking to push the bar of their performance.

Kamal Nath

From the Executive Director and Group CFO's desk

Ensuring fiscal discipline and optimum RoI

Dear Shareholders,

The strong fundamentals of the Indian economy have never been as pronounced as at present. While global economies continue to grapple with the post-pandemic effects and the prolonged geopolitical turbulence, India has been quick to recover its economic stride and revert to the pre-Covid numbers. It would not be incorrect to say that the country has, in fact, emerged stronger through these turbulences – a validation of its deep-rooted resilience, and of its ability to reorient itself with agility to the evolving eco-system and transforming market needs.

The changes in the external environment over the past three years have unleashed an unprecedented demand for digital transformation for enterprises and businesses across the world, including India. This has also necessitated a stronger support system to steer such enterprises through their digital transformation in their onward journey.

Keeping pace with this changing reality, we, at Sify, also moved with agility to make strategic investments designed to aid the transforming enterprises. We harnessed our strengths and expertise across the areas of our business segments, which we had restructured, to deliver to the emerging urgent demands of our clients.

Our timely efforts and investments enabled us to deliver another year of exceptional performance. Our revenue grew 24% from INR 2,70,257 Lakh in FY22 to INR 3,34,037 Lakh in FY23, while EBITDA increased 4%, from INR 60,400 Lakh to INR 62,907 Lakh in the same period. Our consistent investment in DCs, networks, people, and tools will bear results when the next phase of capacity and connects go live. The Company is well prepared to ensure that we are the first choice for upcoming demand. We also continued to maintain a tight leash on fiscal discipline, particularly in our investment process. The cash balance at the end of the year stood at INR 48,450 Lakh.

As a strategic approach, we continued to make significant investments in the DC side of our business in response to the incoming demand from both retail and hyperscale customers without losing sight of fiscal discipline. We concurrently scaled up investments in our fiber networks in select metro cities, and in people for our digital services business. We believe that stronger network connectivity, cloud interconnects, and the resultant investment in tools, processes, and people will augment the demand in this segment. With an increase in capacity utilization, we expect to see our digital services find augmented demand and further contribute to Sify's revenue mix.

We are leveraging demand to rapidly build capacity across our DCs, while investing in network and tools in accordance with this demand. Our focus on strategic partnerships will enable us to leverage our core competencies and enhance our capabilities in key areas such as cloud, DC, network and security services. By partnering with experts in each of these areas, we can ensure that we offer our clients the most comprehensive and innovative solutions. While our capex investment may increase in the short term, we are confident that this approach will help us achieve our long-term growth objectives and enhance shareholder value.

Going forward

As we move towards the next level of business growth for Sify, we shall continue to stay committed to expanding our data center and network footprint. We shall also continue to gradually scale up the adoption of renewable energy in our data centers, as part of our strong thrust on sustainability to steer our long-term plans. Investment in people and tools will be complimentary to this growth, without losing sight of our fiscal roadmap. As we scale, our focus will be on ensuring that costs are optimized and revenues are improved across our service mix.

M. P. Vijay Kumar

Welcome to the world of **Sify Technologies**
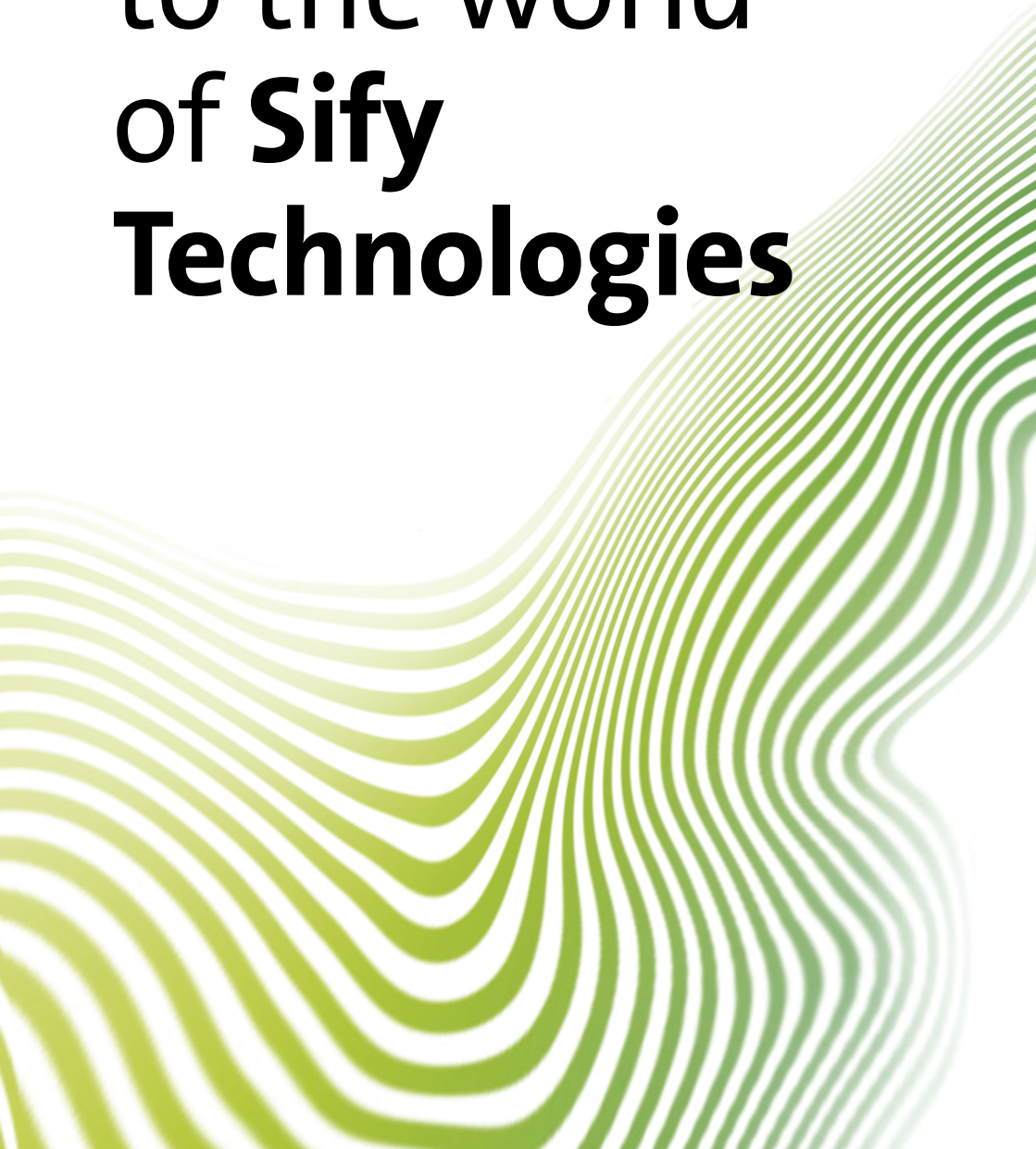
■ India's premier Information and Communications Technology (ICT) company enabling digital adoption among business across industries with its innovative digital solutions portfolio. Additionally, we are also aiding India in its journey towards becoming a digital superpower.

We are an organization aligned to the needs of today with our eye on tomorrow.

We are building on the now to deliver to next-gen customers by thinking ahead.

We are a corporate defined by our capability of disruptive innovation and propelled by customer-centricity.

We are the digital bridge that enterprises will use to transition and realize their digital ambitions.

About Sify Technologies Limited

Enabling digital transition among businesses

Sify Technologies is India's only organically grown ICT company with a track record of over two decades in the ICT domain. Today, it is India's most **comprehensive** ICT service and solutions provider focused on continuous evolution to drive digital transformation for businesses across industries.

What makes Sify a comprehensive solutions provider?

The focus on three distinct lines of businesses through - Sify Technologies Limited for network connectivity, Sify Infinit Spaces Limited for DCs, and Sify Digital Services Limited for all IT and digital services.

Its integrated ICT ecosystem makes it the preferred partner for large enterprises, incoming MNCs and start-ups alike.

■ A Fortune India 500 company, Sify stands tall today amidst the IT landscape as valuable technology service provider to more than 10,000 businesses.

Sify's business proposition is crafted to create an enabling environment for the growth of a digital economy, driven by the collective digital transformation of enterprises.

👁 Vision

We are building a world in which our converged ICT ecosystem and our bring-it-on attitude will be the competitive advantage to our customers.

🎯 Mission

- Seed entrepreneurial abilities within the organization
- Build digital convergence technologies
- Deliver cost-effective solutions

Year 1999
first ICT company to list on NASDAQ

23 years
experience in DC and Cloud management

1,600+
towns and cities reached through our network

20+ years
experience in securing enterprise IT

Year 2000
launched India's first commercial data center

3,500+
team size

Sify's philosophy for a digital future

Our Digital@core philosophy underpins the current automation demands of a nation on overdrive. Our focus is on customers who view every solution through the prism of digital enablement. Sify represents a one-stop engagement across networks, data centers, cloud, digital and IT services for such customers. We deliver this through our Cloud@core platform, which has emerged as a key driver of our Digital@core ambitions for enterprises.

The Sify business suite

We provide IT solutions for both cloud-only enterprises and enterprises seeking to outsource IT as a business service. We deliver these services through our well-structured business segments:

INR 3,34,037 Lakh

total revenue

Sify Technologies Ltd.

Network Connectivity

- Enterprise connectivity services – MPLS, Internet
- Cloud connect services
- SD-WAN
- EdgeConnect services for IT + OT + People
- Cloud-enabled unified communication services

INR 1,32,910 Lakh

revenue

40%

of overall revenue

Sify Infinit Spaces Ltd.
Data Center Colocation

- DC (colocation)
- Value-added services (Security/ Remote Hands/Cross Connect)

INR 1,01,250 Lakh
revenue

30%
of overall revenue

Sify Digital Services Ltd.
Digital and IT Services

- Cloud assessment & migration services
- Multi cloud managed services
- CloudInfinit enterprise cloud
- Hosted SAP Cloud/ Azure Stack as a service
- CloudInfinit Cloud Management Platform
- InfinitDigital infrastructure managed services
- InfinitDigital network managed services
- App modernisation (DevSecOps, Kubernetes, Site Reliability Engineering)

- InfinitDigital application managed services
- SAP services
- Oracle services
- Microsoft services
- Digital learning- AR/VR/XR
- Digital asset management
- Digital assessment iTest
- Retail Intelligence ForumDIGITAL™
- Digital trust and authentication – Safescrypt
- IoT

INR 99,877 Lakh
revenue

30%
of overall revenue

(As on 31 March, 2023)

Our global footprint

The Company is headquartered in Chennai (Tamil Nadu), with its business footprint spanning more than 1,600+ cities in India, and a formidable international presence across North America, the United Kingdom and Singapore.

1. **India**

2. **USA** (Santa Clara & New Jersey)

3. **Europe** (London)

4. **Dubai**

5. **Singapore**

6. **Canada** (Toronto)

Presence in
6 countries

Partnering with
enterprises for
digital transformation

Over 3,500+
skilled
associates

1

1,600+
Cities MPLS
network presence
across India

11
Operational,
concurrently
manageable data
centers

51
Pan-India
edge nodes

2
Open cable
landing systems

5
Delivery centers
across India

Proven track record of
executing
complex programs

Quality benchmarks:
CMMi 5, ISO 9001, ISO 27001
SSAE 16 certifications

Our infrastructure & services advantage

- 11 Pan-India DCs with > 100 MW capacity
- On track to add 350 MW in next 4 years
- Hosting for hyperscale operations

- Largest MPLS network (by connections)
- 3,100+ PoPs across 1,600+ towns in India
- Platform to move content to "edge"
- 892 fiber nodes and 1838 wireless base stations

- "Cloud Connect" data superhighway
- 53 on-net data centres
- Cost-effective terabit network scale
- Interconnect Public and Private clouds

- Enterprise and Hybrid Multi Cloud
- Enterprise Cloud grid fabric
- Public/ Private/ Hybrids Clouds
- Cost effective and pay-as-you-go model

- Remote Operations Centres NOC, SOC, managed services
- Global and domestic IT outsourcing Supports outcome-based services model

- Applications and solutions
- Integrate & Modernisation

25 years of journey to
the Next

The Road Ahead

Digital First

Digital transformation services provider (Digital@core)

Launch of end-to-end digital services

Sify 2.0

Enterprise Internet

Shift to an Enterprise Services Company

Launch of MPLS & Data Centre services in India

First private internet service for enterprises in India

Sify 3.0

Cloud First

Transformation into an ICT services provider

Launch of Enterprise Cloud services (Private & Hybrid)

Sify 1.0

Consumer Internet

Consumer-facing ISP

First private ISP in India

Engaging with stakeholders

Nurturing relationships for sustainable growth

As a futuristic organization focused on transformation, Sify continues to strengthen its stakeholder relationships through targeted interventions and sustained engagement.

Our stakeholder dialogue enables us to shape our roadmap in line with evolving market demands and opportunities. It also helps in improving our day-to-day business operations while enhancing our corporate responsibility outreach in a more meaningful manner. We look at our stakeholder communities as the platform from where we can scale the next level of the Company's growth.

Sify's principles of stakeholder engagement

Transparent information sharing → **Continuous consultation**

Proactive involvement ← **Positive collaboration**
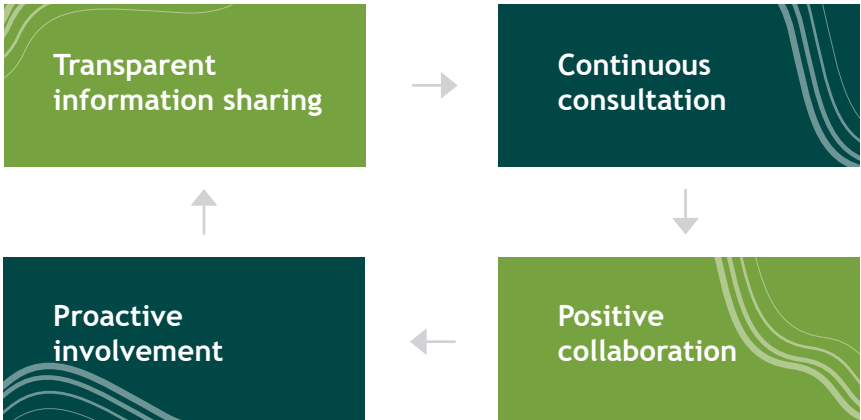
How we engage with our stakeholders

	Shareholders and investors	Employees
Significance to Sify	• Provide financial capital, and hence are key stakeholders in the Company's growth and expansion plans	• Central to all business operations given the knowledge- based nature of the business; their collective experience, skill and knowledge are essential for the Company's growth
Stakeholders expectations	• Good corporate governance • Business sustainability • Strategy implementation • Inclusivity and transformation	• Skill development • Well-being • Employee retention • Employee satisfaction • Performance management • Rewards and recognition
How Sify engages with them	• Investor calls • Non-deal roadshows • Analyst meets • Investor conferences • Investor website	• Employee engagement initiatives • Appraisal platforms • Training platforms • Mentoring platforms • Grievance redressal mechanism

	Vendors	**Partners**
Significance to Sify	• Business operations closely linked with the timely availability of quality hardware and their periodic maintenance	• Access to contemporary software solutions from Global IT majors that are essential for being relevant to customers
Stakeholders expectations	• Visibility and relationship • Service satisfaction • Timely payments	• Formal contracts • Strategy and GTM awareness • Visibility and relationship • Service satisfaction
How Sify engages with them	• Periodic interaction with key suppliers by the project procurement team and management • Audit and compliance measures • Financial health audit	• Maintain regular connections with global IT majors at various forums

Customers

- Customer feedback is key to improve performance, quality and cost optimization
- Provides rich insight into future trends

- Product satisfaction and awareness
- Brand awareness
- Sustainability and viability of the organization
- Information sharing
- Market dynamics
- Consumer complaints and grievances

- Regular interaction with customers through digital and in-person meetings by team leads, business heads and the senior management

Community

- Harmonious relations with communities around our facilities are vital to our social license to operate
- Communities are partners in our progress and crucial to our operations

- Address material topics through CSR programmes
- Focus on sustainability

- Need-based assessment surveys, community visits by Company management

① ② ③ ④ ⑤

Materiality

Prioritizing issues that matter the most

Two decades and a firm grip on the leadership position in the ICT category later, we were ready to take our first steps in revealing our sustainability goals. We started with conducting an assessment of our material topics, engaged in a discussion with our stakeholders and identified a set of Potential Material Topics (PMTs) that can impact our business across the key metrics of Economy and Environment, Social, and Governance (ESG).

A total of 71 survey responses consisting of leadership voices were consolidated and an additional consultation with senior management was held to finalize 12 topics most material to our organization.

These material topics play a vital role in our strategy, planning, and disclosure processes.

Sify's circle of influence

To create an unbiased view of our materiality topics, Sify dug into a diverse pool of stakeholders; however, they were all acquainted with Sify, be it employees, investors, clients, service providers, regulators, and even policy influencers. This circle of influence then became the go-to pool of information to draw up the materiality topics against each of the businesses. Not surprisingly, the Company's internal outlook towards these materiality topics changed over the period of study, not just on a broader plane but also on a deeper level. The roadmap of three years was the outcome of these deliberations along with the Company's intent to measure and achieve tangible results.

2 4 5 7

Ecosystem of respondents

Global

- Global customers
- Global regulatory bodies
- Global vendors
- International certification bodies
- International forums - UNGC/SBTi/CDP

Individual and immediate community

- Local institutes
- Local authorities
- Local vendors
- Local administration
- Local NGOs
- Local press

Society

- Extended community
- Regional regulatory bodies
- State administration
- State level NGOs
- Press

National

- Domestic customers
- Investors
- Banks
- Regulatory bodies
- National press
- Professional institutes
- National business forums and Chambers of Commerce
- National NGOs
- National vendors
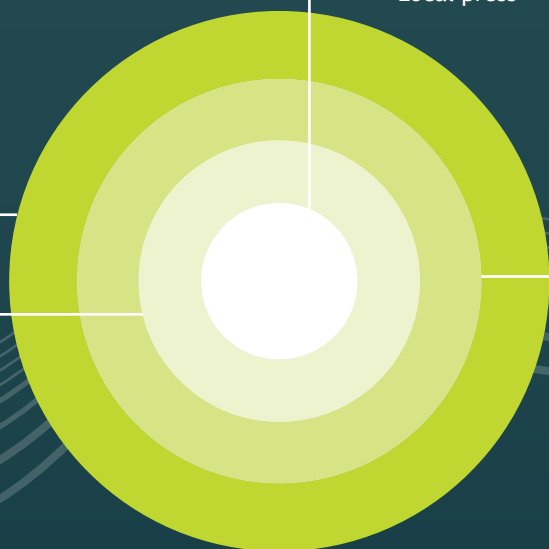
Materiality matrix

The materiality matrix that plotted the material topics evolved based on conversations and deliberations with stakeholders and respondents. These were then ranked from least critical to most critical.
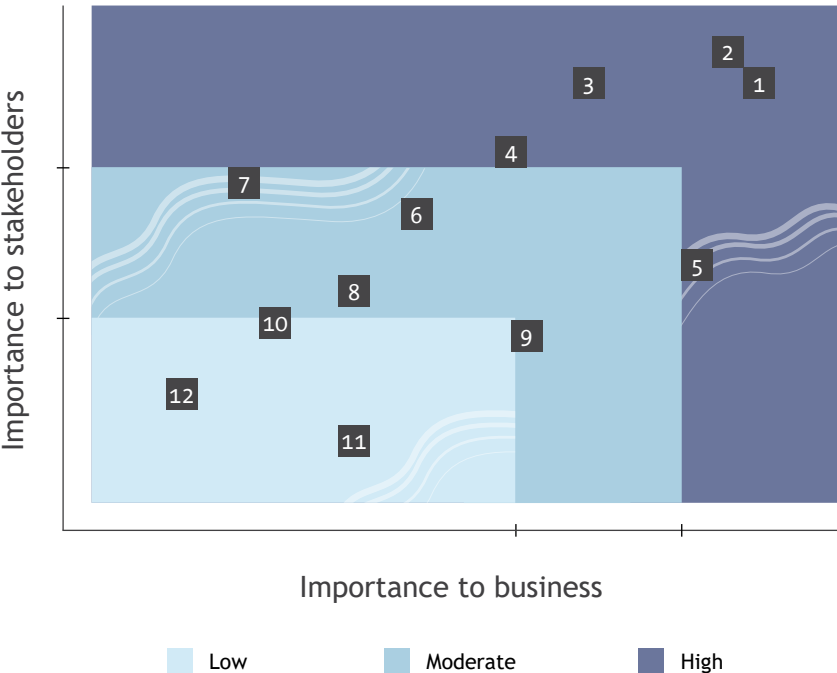
Material topics identified

The stakeholder engagement feedback on material topics, secondary research on regulations, sustainability standards (SASB, GRI, and AA1000AS), and peer analysis were considered for the identification of the material topics. Based on discussions with Sify's senior management, 12 key material topics were identified as relevant to operations and these were aligned with the United Nations Sustainable Development Goals (UN SDGs).

Sify's material topics	UN SDGs impacted
1 Customer delight	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
2 Data privacy & IT security	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
3 Regulatory & compliance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
4 Business ethics	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
5 Product innovation	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
6 Employee engagement	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
7 Energy efficiency & management	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
8 Diversity & inclusion	5 GENDER EQUALITY 10 REDUCED INEQUALITIES
9 Procurement & supply chain	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 17 PARTNERSHIPS FOR THE GOALS
10 Water management	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
11 GHG emissions	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
12 Community engagement	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION

Mapping progress on material topics

The material topics that impact Sify's business and its stakeholders are divided into the categories of Environment, Social, and Governance.

Progress is mapped on these topics across relevant Key Performance Indicators (KPIs), year on year against a baseline year of FY 2022 from which a roadmap is defined for the next 3 years.

Material topics	Goal

Environment

Achieve and maintain optimum energy utilization and promote green energy	To optimize energy consumption and promote the use of renewable energy sources
Efficient water resource management	To optimize water consumption and promote water conservation
Carbon neutrality	To achieve carbon neutrality

Key Performance Indicators	Progress in FY 2023 over FY 2022 (% growth/change)
Capitals impacted	
Improve the performance of energy utilization by optimising power utilization effectiveness (Total power/IT power)	▲ 1%
Adopt new technologies using equipment, tools to achieve better efficiency, reduction in losses	▲ 2%
Entering Green power purchase agreements, purchasing green power through power exchange out of total power consumption. Setup Green Power Purchase agreement for long term RE power sourcing	▲ 4%
Average Water Consumption per employee per month (in liters)	For 11 DCs: ▼ 0.1%
Staff that attended water awareness program (man-days)	▲ 24
No. of water efficiency initiatives launched	▲ 6
Water Usage Efficiency (WUE) in litres	Maintain 2%
GHG emissions (tCO$_2$)	
• Total Green House Gas emission as compared to last year. (Tonnes)	70 mton (100 MW)
• Total no of carbon emmission due to usage of diesel generator set (tCO$_2$)	▼ 13%
Scope 2 emissions (Power commission went from 65 MW to 100MW)	▲ 14%

Material topics	Goal

Social

Sustainable supply chain	To establish sustainable procurement systems and ensure their deployment in the Sify supply chain
Achieve customer delight	To improve the customer-centric approach

Key Performance Indicators	Progress in FY 2023 over FY 2022 (% growth/change)
Capitals impacted	
Reduction in average payment deadlines (TAT):Statutory Payments – On-time Vendor Payments in % (dependancy on finance)	▼ 5%
Procurement Management 1) PO turnaround time (in %) 2) Invoice processing through one supplier	▼ 5%
Rise in % of purchases made from SMEs	▲ 5-8%
Reduction in the % of purchases made outside the procurement process	▼ 5%
MTTR - Mean time to restore – only on Sify side (Time taken to resolve an incident ticket)	▲ 3%
Service request login process - ease of logging a case (% of tickets logged in through Web (Sify Aakaash, Ebonding -WhatsApp platform and IVR)	▲ 1%
Interactive Voice Response (% of calls accepted and completed by customers against the cases for IVR FLT)	▲ 15%
Repeat Failure – Reduction (% of links having 2 or more incident tickets raised in a month)	▼ 0.10%

Material topics	Goal
Ensure data privacy and data security	To protect the information and systems that support the operations and assets, and mitigate data security risk
Ensure an equitable, diverse, and inclusive workplace	To promote Diversity, Inclusion and Equity in the workplace
Preferred employment destination	To enhance employee satisfaction

Key Performance Indicators	Progress in FY 2023 over FY 2022 (% growth/change)
Security incidents	0
Training coverage of the staff on data privacy (man-days)	▼ 39
Safe man-days	58,356
Average vendor security ratings	B
LTIF (Lost Time Injury Frequency) & TRIR (Total Recordable Injury Rate)	0
Women staff ratio (F:M) per 100%	▲ 1%
Women in Board-level management	1 (since FY 2022)
Women in decision-making roles	▲ 2
Increase in employing People with Disabilities as employees	▲ 0.47%
Employee turnover rate	▼ 4%
Internal promotion rate	▲ 1%
Active employee social ambassadors (qualitative %)	▲ 1%

Material topics	Goal

Governance

Product innovation	To ensure the development and market introduction of new, redesigned, and improved services
Ethical business	To consistently ensure a moral attitude within the entire value chain
Ensure regulatory compliance	To ensure consistent compliance with legal & other requirements

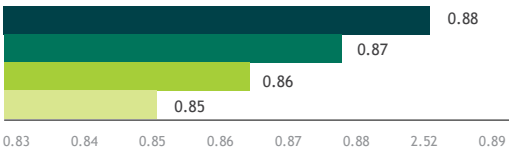| Key Performance Indicators	Progress in FY 2023 over FY 2022 (% growth/change)
Capitals impacted	
No. of products under product lifecycle assessment	4
No. of new products/technologies/services launched	4
No. of patents/case studies/whitepapers released	▲ 2
% of staff who attended sustainable product design and circular economy products	▲ 10%
Annual review of policies applicable for conducting businesses	▲ 15%
Creating awareness	▲ 15%
Compliance health check and documentation	▲ 15%
Remedial action	▲ 15%
Telecom To frame updated and periodic compliance checklists on all applicable telecom regulations and to ensure compliance by the respective business team	▲ 10%
Data Center To comply with all the applicable environmental laws related to this business	▲ 10%
Digital Services To comply with applicable security controls	▲ 10%
Corporate Compliances To ensure compliance with all applicable laws	▲ 10%

Roadmap for coming years

Sify continues to work on matters that concern its stakeholders and its operations. To this effect, the Company has also set goals for certain key metrics for the coming years.

- ■ FY 2022   ■ FY 2023   ■ FY 2024   ■ FY 2025

Water intensity/employee in Kl (in%)

FY 2022	0.88
FY 2023	0.87
FY 2024	0.86
FY 2025	0.85

Axis: 0.83   0.84   0.85   0.86   0.87   0.88   2.52   0.89

GHG emissions (tCO$_2$) (in %)

FY 2022	83%
FY 2023	70%
FY 2024	53.50%
FY 2025	29%

RE Power (in%)

20% ┤
     │
     │   20%
15% ┤   16%
     │
     │   12%
10% ┤
     │
     │   8%
 5% ┤
     │
 0% ┼──────────────────────────────────────
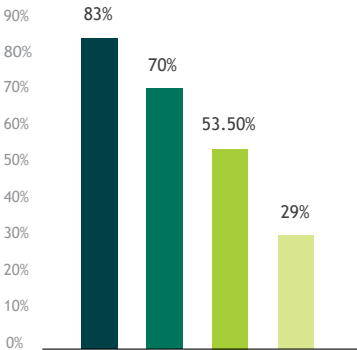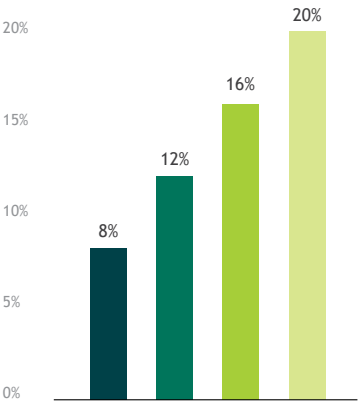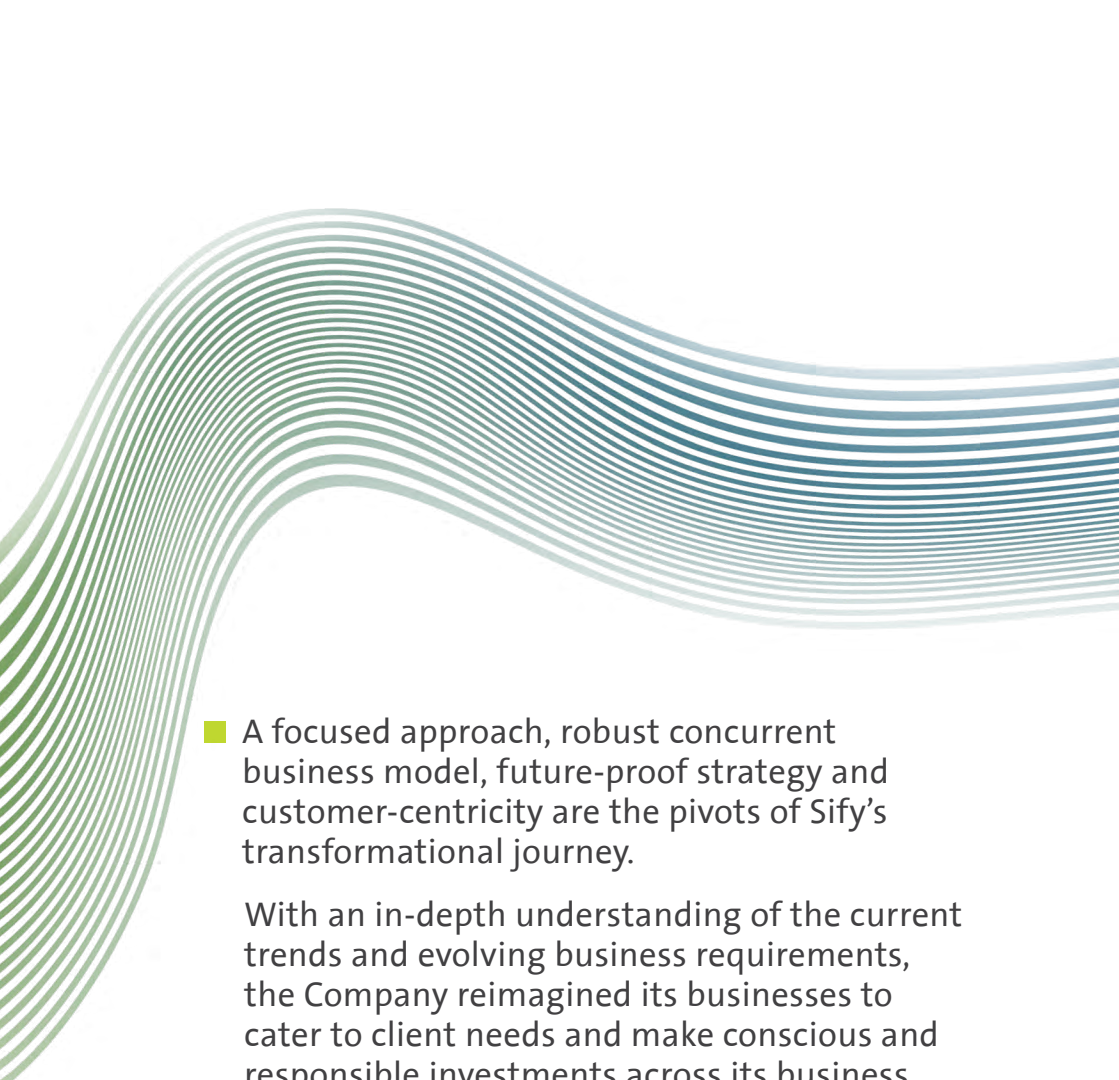
Scope 2 emissions – Energy consumption (in %)

80 ┤
   │   74%
70 ┤
60 ┤
   │   50%
50 ┤   47%
40 ┤
   │   33%
30 ┤
20 ┤
10 ┤
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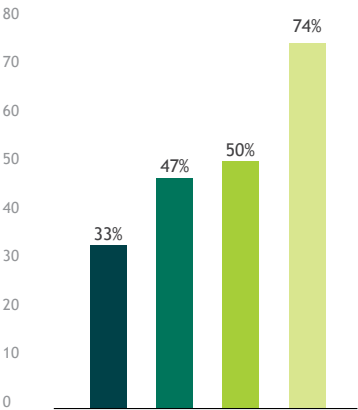
Driving growth today, **for tomorrow**

■ A focused approach, robust concurrent business model, future-proof strategy and customer-centricity are the pivots of Sify's transformational journey.

With an in-depth understanding of the current trends and evolving business requirements, the Company reimagined its businesses to cater to client needs and make conscious and responsible investments across its business verticals to drive future growth.

These businesses, each unique in their offerings, come together to aid organizations in their digital transformation journey. They empower clients with new-age IT services, helping them transition from legacy services, besides integrating IT services such as AI, ML, VR, and AR into their business ecosystem.
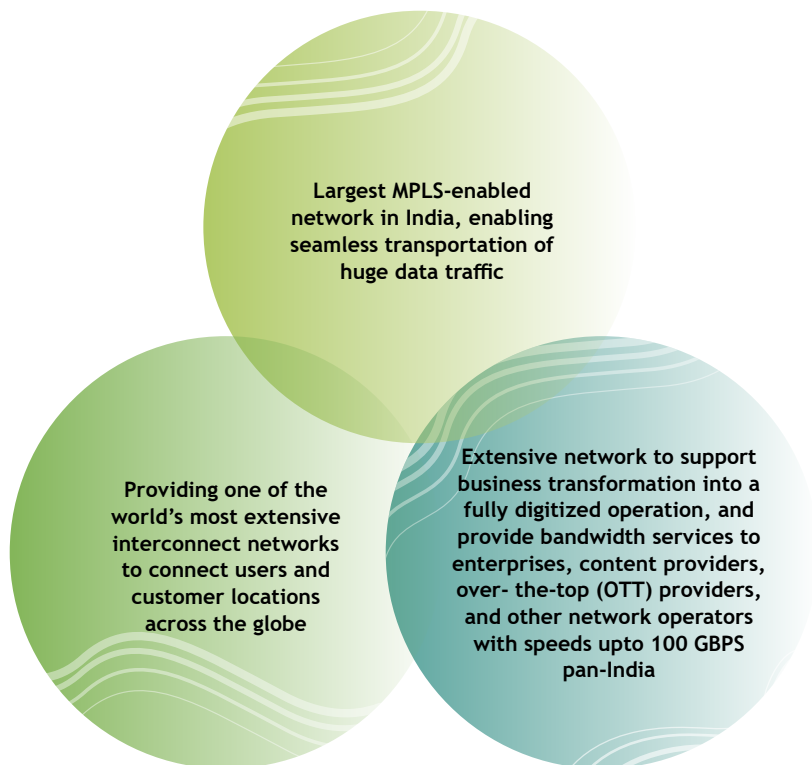
Sify Technologies Limited

Expanding network reach to deliver seamless interconnectivity

Sify's network is designed to provide a bouquet of services to its clients. As one of India's most adaptable interconnectivity partners, the Company offers domestic data, international data, and wholesale voice, among other services. Its low-latency cloud and DC-ready network are designed to support the digital transformation pursuits of enterprises seeking to scale to the next level of expansion and growth. It is crafted to expand the network reach to enable more clients to access Sify's service offerings.

■ From a formidable position in the Networks segment to a robust presence in the Data Center business and a leading position in Cloud and Managed Services, Sify has, over the years, emerged as an industry leader in the ICT space and a trusted partner for enterprises.

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Competitive strengths

Largest MPLS-enabled network in India, enabling seamless transportation of huge data traffic

Providing one of the world's most extensive interconnect networks to connect users and customer locations across the globe

Extensive network to support business transformation into a fully digitized operation, and provide bandwidth services to enterprises, content providers, over- the-top (OTT) providers, and other network operators with speeds upto 100 GBPS pan-India

Assets

- Wide footprint of Data Center interconnect services across 50+ DCs and CloudConnects
- Sify OnNet: SDN networks in over 300+ buildings and targeting 1,200+ in the next 24 months
- Submarine capacities to Europe, Middle East, and Asia, in addition to submarine capacity backhaul services
- Open submarine landing station in Mumbai and another under development in Chennai

- Agility through software-defined infrastructure, app acceleration, and network resiliency with superior threat intelligence and advanced analytics
- Bespoke network designs for >99.99% hyperscale resiliency
- World-class service delivery platform, network agnostic, automation with proactive monitoring and management delivered from our global Network Operations Centers (NOCs)

Growing domestic network

Sify has the most extensive network across India, supported by one of the largest IP Multiprotocol Label Switching (MPLS) enabled networks.

1,25,000

Enterprise endpoints

1,600+

Cities and towns pan-India

3,100+

Points of Presence (POPs)

7

Top cities covered by national long-distance network

53

DCs connected across India

5,900

SDWAN service points deployed across India

100K+

Fixed wireless connects

892

fiber nodes across India

Customer-centric edge

- With our robust multi-tier network, we eliminate any downtime in operations, enabling seamless scalability of operations
- This network was the first to become IPv6-ready in India with a state-of-the-art backbone on fiber and multiple high-capacity circuits
- We continue to invest in strengthening our network capabilities to handle the growing data volumes
- Our 100G Metro access ring network with multi-service access nodes (MSANs) covers all the major metros and ensures sustained and uninterrupted high-quality traffic delivery
- Sify supports enterprises through the following options:

  - Commissioning a standalone network for their business and linking them to an on-premise or co-located Data Center
  - Offering bandwidth that enterprises can lease for their business connectivity

Services

WAN

- VPN services over MPLS
- Business internet
- Ethernet services
- Sify OnNet:
- India's first Automated Enterprise WAN offering Bandwidth On Demand

INTERCONNECTION

- Data Center Interconnection (DCI)
- Cloud Interconnect
- Internet Exchanges (IX)

Connecting cities with the Metro project

Sify's Metro project provides network connectivity to key Indian high-data traffic cities – Delhi-NCR, Mumbai, Kolkata, Bengaluru, Chennai, and Hyderabad. It will also help augment our prospects in the Data Centre and Cloud Management Services space.

7,000+ km
of diverse metro fiber in

7 Major cities

Strengthening Sify's international network

Sify has developed a robust global network, comprising of diverse cable assets and multiple PoPs spread across geographies. It provides direct connectivity to a range of major IP network operators.

Customer-centric edge

- Sify's carrier-agnostic network has multiple levels of redundancy, including oceanic and cable and a robust backbone of interconnecting hub locations.
- The network has peering points for building redundant international network connections to the United States, Europe, the Middle East, Africa, Latin America, and the Asia-Pacific region.
- The POPs are strategically positioned in New York, London, Marseilles, Los Angeles, Dubai, Singapore, and Hong Kong over redundant cable systems on transatlantic and transpacific paths, enabling the Company to reap the benefits of the dense data traffic routes.
- Sify's network assets enable it to offer them a plethora of interconnect options.
- These assets help Sify provide end-to-end connectivity to global corporations and remote management services in multiple locations across the globe.

Open cable landing stations

Sify's innovative open cable landing station concept has universalized and revolutionized network connectivity for Indian enterprises in both the domestic and international domains, expanding the available bandwidth capacity in India.

The Company's open cable landing stations in Mumbai and Chennai accommodate multiple international submarine cables which transport data between continents. On termination, Sify's landing station, transports data through our network, to our partner network routes or is carried by Sify's network to user-identified destinations.

Its domestic subsea cable system is equipped to provide low latency, high bandwidth, and stable connectivity to:

Kochi   Puducherry   Kolkata

Mumbai   Chennai   Visakhapatnam
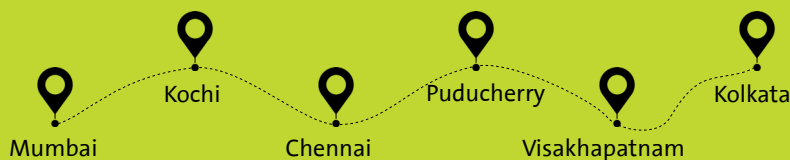
It also provides a limited terrestrial route to bypass Sri Lanka, enabling improved cost and latency.

Sify's cable landing station in Mumbai provides access to multiple submarine communication cable systems. This has helped lower the entry barrier by connecting telcos, enterprises, and OTT players with their global counterparts.

The Company's undersea cable network has been designed to assure maximum level of continuity and performance by providing diverse cable options for redundancy over MENA & GBI, which have multi-cable systems. As an accessibility provider, Sify enables connectivityon both the Pacific and Atlantic sides through multi-level partnerships.

Our open cable landing station has emerged as the secondary carrier for most telcos as a result of being agnostic to mobility and other network-concentrated players.

FY 2023 highlights

- A spirits major contracted Sify to build their factory network under an IoT coverage.

- Sify was contracted to expand the MPLS connectivity for the IT arm of the central bank besides multiple other private and public sector bank.

- A subsidiary of the Central Bank, a retail major and a private banking major contracted Sify for managed and secure SDWAN service.

- An automobile major, a manufacturing conglomerate and a public sector bank signed up for Network integration services.

Case study

Digitally empowering the world's second-largest stock exchange

The world's second-largest stock exchange wanted to significantly improve its network, scale geographic reach, expand trading volumes, improve reliability, and lower operational cost. Sify uses a managed-services-led model for providing a highly reliable and scalable network solution in facilitating the stock exchange's transformation through:

- The establishment of a shared NOC and SOC

- An integrated play of network Managed Services, NOC, and network transformation services including design, optimization, and transitioning of the network

- The enablement of skillsets to run NOC operations for mission-critical networks

- The provision of a predicable model to scale operations over multiple cities from a limited presence, using network and Edge assets.

Sify helps the stock exchange leapfrog to the next level of scalability and growth. It facilitates the client in achieving a significant increase in member acquisitions across India, along with lowering the cost of operations for existing members. Moreover, the entry cost for new members was significantly lower.

Sify Infinit Spaces Limited

Enabling access to digital transformation through pan India Data Center presence

Sify's journey in the Data Center space kicked off in the year 2000, when the Company started offering smart data management solutions by investing in DCs in India's financial nerve center, Mumbai. The Company has since evolved into one of the largest companies in the Indian DC space with a presence in Mumbai, Chennai, Noida, Bengaluru, Hyderabad, and Kolkota, offering a wide bouquet of services and solutions to large and growing enterprises.

With DCs being included in the 'harmonized list of infrastructure', the sector will gain access to cheaper foreign currency funding through the external commercial borrowing route. Moreover, the consequences of the implementation of GST will decrease the overall costs of logistics, in turn boosting the demand for Indian goods. Additionally, this will also contribute towards furthering the objective of the Make in India initiative – by generating employment and attracting investors.

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Sify's journey in this segment is marked by its transformation:

- From a data storage player to a digital transformation specialist for enterprises in India
- From drawing the blueprint to the turnkey management of IT arch

Sify owns
11 DCs
Pan-India

With
101.8 MW
IT Power

23 years
of experience serving business segments across industries

500+
DC service projects executed

300+
DC migration projects executed

500+
Premier enterprises hosted on Sify's Data Centers

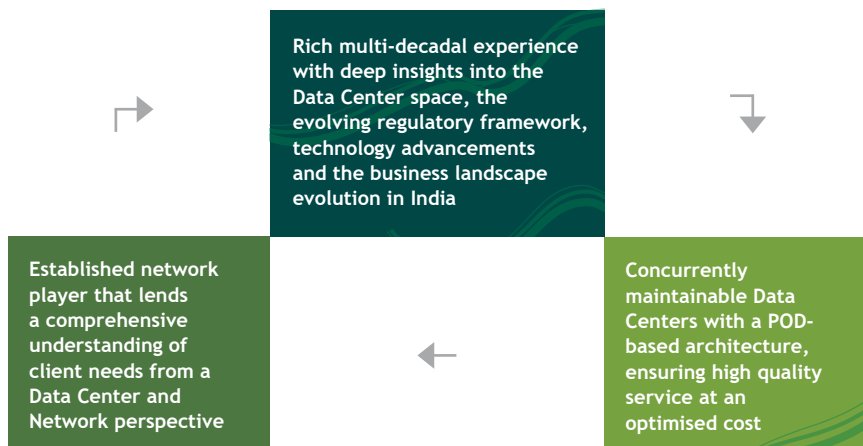# 200+ MW
Renewable energy contracted

The Data Centers are:

- Designed to act as reliable, secure and scalable facilities to host mission-critical applications
- Truly carrier-neutral with a rich interconnect system
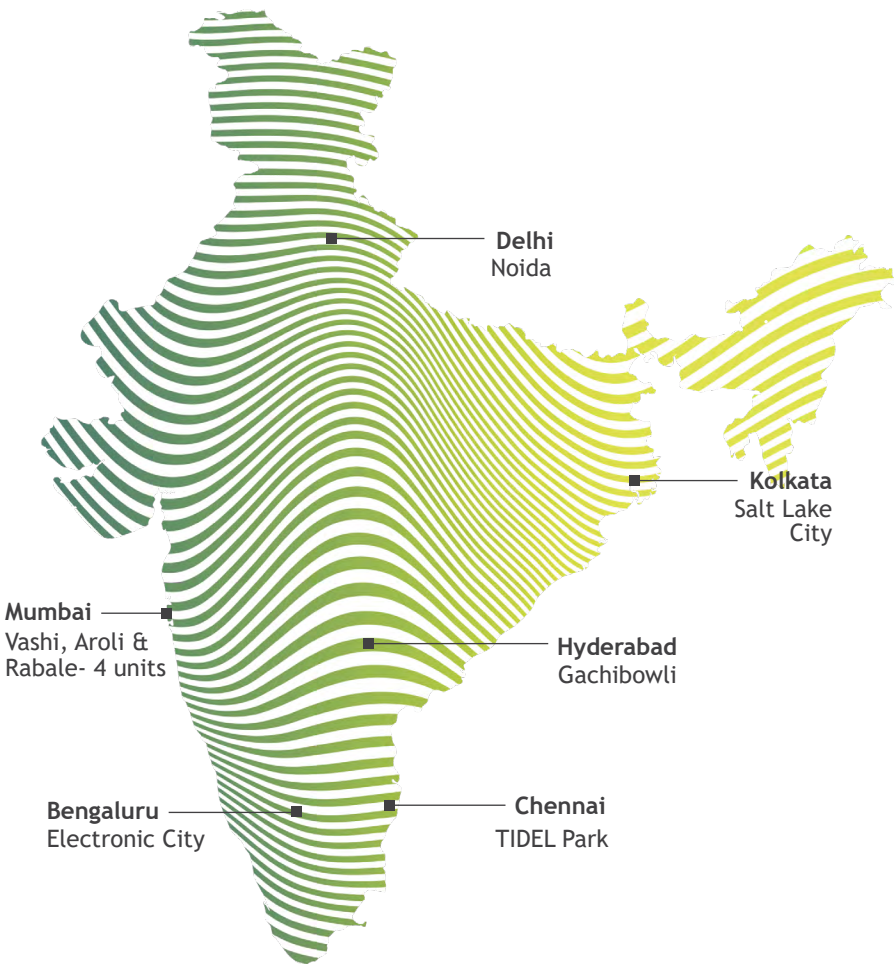- Critical deployments for multiple hyperscalers
- Built-to-Suit capabilities

Sify's offering encompass:

- **Co-location services** that allow customers to bring in their own rack-mountable servers and house them in shared racks, or hire complete racks and even 'secure cages' at the hosting facility as per their application requirements
- **Managed hosting services** such as storage, backup and restoration, performance monitoring and reporting, hardware and software procurement, and network configuration
- **Value-added services** including rack space (half and full rack), caged enclosures with access control system, dedicated CCTV cameras, cross-connect services, rack cabling – power and network, dedicated seating space, asset migration, remote hands support, private connectivity to national and international internet exchanges and multiple public Cloud environments (specific to DCs), static transfer switch, as well as internet connectivity at the Data Center–fixed bandwidth or data transfer model

Competitive edge

Rich multi-decadal experience with deep insights into the Data Center space, the evolving regulatory framework, technology advancements and the business landscape evolution in India

Established network player that lends a comprehensive understanding of client needs from a Data Center and Network perspective

Concurrently maintainable Data Centers with a POD-based architecture, ensuring high quality service at an optimised cost

Our DC footprint:
11 Data Centers strong

Delhi
Noida

Kolkata
Salt Lake
City

Mumbai
Vashi, Aroli &
Rabale- 4 units

Hyderabad
Gachibowli

Bengaluru
Electronic City

Chennai
TIDEL Park

FY 2023 highlights

- The banking and asset management arm of an international bank, a financial services player and two domestic public sector banks signed up to migrate from their on-premise Data Center to Sify.

- A private bank expanded their engaged with Sify for colocation space.

- Three scheduled banks, a financial services major and a government agricultural lending body migrated from the competition to Sify Data Center.

- An international Cloud security major contracted Sify for capacity expansion across multiple locations in India and to also upgrade their Internet protocol transit infra.

Case study

Accelerating strategic expansion of a global cloud security company

A leading US cloud security company was searching for comprehensive DC solutions to build and fortify its go-to-market plans. Sify stepped in to build multiple points of presence while helping the client address its growing business challenges. It leveraged the IaaS model to support the client in its go-to-market strategy by providing 24X7 colocation services in Mumbai, Noida, and Chennai. Sify delivered an integrated solution encompassing:

- DC services at multiple locations, starting from Noida and Mumbai
- Helped the client to expand its service in Chennai
- Secure and reliable infrastructure
- Completion of the project within given timelines, enabling the client to start its operations

Sify delivered next-level solutions to the client with its one-stop ecosystem. It secured the customer's infrastructure, with strict customer adherence to stringent global standards.

Sify Digital Services Limited

Enabling clients' transformation with digital@core

Given the massive digitization taking place in the country in the last decade, business enterprises are moving aggressively toward digital transformation. With cloud computing as an integral component of this business transformation, Sify continues to make significant investments in this segment to enable enterprises in becoming more efficient by leveraging cost-effective and well-managed computing resources, IT efficiency, and flexibility. It is focused on the changing ICT requirements of the emerging digital economy and the resultant demand from large, mid, and small-sized businesses.

Evolving from cloud@core to digital@core

To meet the evolving digital needs of clients, Sify embraced cloud@core as an overarching platform, designed to support the cloud transformation pursuit of its customers. Its digital@cloud proposition steers the Company's cloud@core focus through the key elements of cloud enabling, cloud inspired, cloud pure, and cloud enhanced.

Cloud enabling

- Cloud DC
- Hyper reach/Hyper scale transport
- Oracle FastConnect | ExpressRoute | DirectConnect | Partner Interconnect
- Software defined network services
- Cloud build
- Private | Hyperconverged | Enterprise
- Security services for cloud
- Migration and implementation

Cloud inspired

- Sify CloudInfinit
- Hosted SAP/S4HANA Cloud
- Managed wireless network
- UC on Cloud

Cloud pure

- AWS cloud services
- Azure cloud services
- Oracle cloud services
- Multi Cloud management platform
- Multi cloud managed services

Cloud enhanced

- Digital SCM (ForumNXT, SFFNxt)
- Digital learning (Livewire LMS)
- Digital assessment (iTest)
- Digital trust (Safescrypt)
- Digital innovation (App modernization, Analytics, AI/ML, DevOps)
- Enterprise mobility
- Industry solution-as-a-service(Saas)

■ The Sify CloudInfint Cloud management platform enables the configuration and management of all Cloud workloads across hyperscalers and private clouds from a single portal. It can be built and deployed to any location to configure it as edge Power Optimized Design (POD). The services are focused to ensure they are secured through the transition, reliable with consistent operational efficiency ensured across platforms.

Service portfolio

As a knowledge-centric enterprise, Sify Digital Services leverages the intellectual capital of its people to develop and deliver services that allow enterprises to become smarter and more efficient. The Company has strategically grouped its services into three areas to provide targeted and focused services to its clients.

Cloud and Managed Services

Applications Integration Services

Technology Integration Services
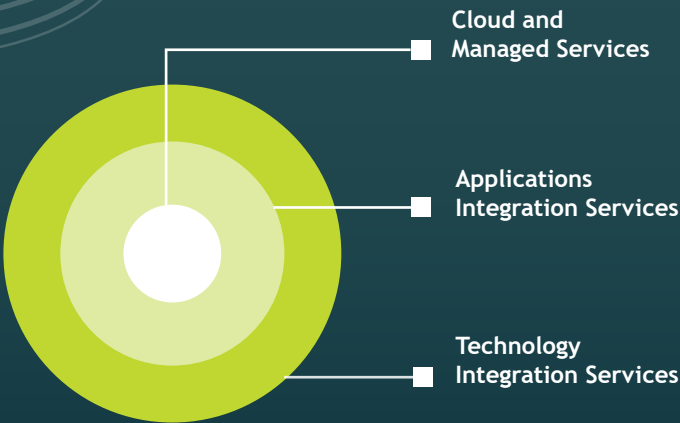
Cloud and Managed Services

Through its Cloud and Managed Services, Sify provides its customers with public, private, and hybrid cloud services. These can be offered either through partnerships or through Sify's own platform called cloudinfinit™.

■ Sify has emerged as a partner of choice for its customers by offering them a large gamut of services and hand-holding them in the process of transition.

Service portfolio

Sify's industry-specific solutions are structured around the evolving application and technology landscape. The Company builds models centered around this landscape, with a strong focus on business outcomes. Its services help customers align their IT infrastructure and solutions with their business objectives. The services the Company manages include Cloud Managed Services (CI, AWS, Azure, GCP, and Oracle) among others.

Applications Integration Service

Sify's Application Integration Service addresses the growing demand for managed IT services. The service is modeled around Enterprise Application and Platform Services, with industry-standard applications such as Microsoft, SAP, and Oracle.

Service portfolio

Sify offers a comprehensive bouquet of services in collaboration with other industry-grade services:

- Cloud Infra Services such as Microsoft Azure and Azure Stack

- Oracle Exadata as a Service and SAP Private Cloud

- Implementation and Migration Services around these applications and platforms

- Infrastructure and Applications Managed Services

- E-learning services such as LMS license resell and LMS Professional

- 6DoF™-based VR on Android & iOS mobile devices – a unique solution developed by Sify CoE allows VR experiences on mobile devices with 6 Degrees of Freedom

The Company is also building on its Virtual Reality and Augmented Reality strengths in response to the expanding e-learning opportunity matrix. It expects to leverage the multiple growth avenues that these solutions will generate.

Technology Integration Services

At the core of Sify's Technology Integrated Services is its strengths and expertise in design, implementation, and maintenance. These strengths enable the Company to deliver end-to-end managed IT services across DC, Network, Collaboration, and Security for greenfield and brownfield projects executed mostly at the clients' sites. The Company harnesses these strengths to offer turnkey solutions to clients who are new to both technology and technology refreshes.

Sify's technology integration services are focused on:

- Network
- DC
- Security
- Collaboration

FY 2023 highlights

- One of India's largest public sector banks, a global steel producer, the apex body for insurance regulations, a healthcare chain and a distribution chain for a global heavy equipment manufacturer contracted for a Greenfield Cloud implementation.

- The largest steel producer, an insurance major, a state eGovernance platform and multiple manufacturing majors signed up for services such as DRaaS, PaaS and IaaS.

- Sify delivered one of the largest tranches of online assessments across India for one of the largest defence research establishments.

- One of the largest oil major, a refrigeration MNC and a retail major signed up for Sify's supply chain management solutions.

- An oil refining major, the country's premier stock exchange, a digital wallet and multiple banks signed up for digital certification services.

Case study

Aiding digital transformation through cloud@core

A premier life insurer wanted to leverage Sify's manage-services-led hybrid cloud transformation to ensure zero downtime and a 25% reduction in annual cost. Sify deployed a full services model (vis-à-vis existing capex plus services model) to facilitate:

- Migration of all cloud-ready applications to hyperscale (AWS)

- Legacy apps and infra in cloud-adjacent DC with near zero latency

- DR at a different seismic zone with hybrid deployment of post-cloud infra and DRaaS from cloud@core

- Hybrid security framework for both hosted and cloud footprint

- Full lifecycle responsibility through assessment, zero downtime migration and implementation within a record timeline

- Hybrid cloud management platform for the management of the hosted private and AWS cloud footprint

Sify exceeded the client's expectations – there was a 25% reduction in yearly cost, return on investments, agile digital-ready infrastructure, end-to-end ownership by one partner and no conflict of interest with application partners.

Digital
investments
for tomorrow

■ Sify is more than just a digital services provider. It is a value creator.

Through investments in world-class digital infrastructure and services, the Company is powering the digital ambitions of businesses across India. Sify's integrated approach to DCs, cloud, network, and digital services enables it to deliver a strong IT architecture to clients, driving their growth, innovation, and digital transformation.

Sify is not just investing in a digital future; but also creating value that lasts.

Operating context

Being agile, responsive, and innovative

Sify recognizes emerging trends and anticipates future needs while adapting its strategies for the shifts in the macroeconomic landscape. By investing in innovative, future-ready solutions and services, the Company positions itself as a market leader, ensuring it can capitalize on opportunities as the market matures. This approach allows Sify to maintain a competitive edge and excel in an ever-evolving macroeconomic environment.

Here are some of the trends dominating the landscape in which Sify operates:

Economic and credit environment

GDP growth moderated sharply to 7.2% in FY2023 from 8.7% in FY2022 due to strong headwinds from the external sector and rising inflation. Supply-chain disruptions and geopolitical risks are expected to keep inflation above the RBI's upper limit threshold of 6% for most of 2022. The central bank has increased the policy interest rate by 90 basis points in two stages, and may face pressure to raise rates further due to domestic inflation uncertainty. The transfer of rising costs from wholesale to retail inflation is likely to occur more quickly than anticipated, leading to businesses experiencing margin pressures from growing input and borrowing costs. The Indian rupee is expected to face depreciating pressures due to the widening trade deficit as import bills surge, thus resulting in costlier imports and higher inflation.

Supply environment

As railway freight, port traffic and domestic air traffic pick up pace, the logistics sector is expected to witness stable demand and improved business continuity. According to a survey by Dun & Bradstreet, businesses transporting freight through railways in India have done well in Q2 FY2022 compared to Q1 FY2022, showcasing the traction of the logistics sector despite the risks posed by the war. The passenger vehicle sector continues to witness disruptions due to semiconductor shortages, high metal prices, and lockdowns in China. States' non-payment of dues to Coal India Ltd, slow coal retrieval, inadequate planning, and daily peak power shortages are exacerbating concerns within the power industry.

However, in this dynamic landscape, there are a few factors that are expected to bode well for Sify's services:

- The rapid adoption of technology in sectors such as BFSI, healthcare, manufacturing, pharmaceuticals, and media and entertainment

- Growing mobile penetration in the domestic market

- Covid-induced growth in the digital economy, leading to the rapid adoption of digital technology

- Evolving IoT usage resulting in growth in network and DC requirements

- Evolving 5G and DC landscape

- India's rapid evolution into a digital economy and the high requirements for DCs and network

- The government's pursuit of smart cities, leading to a rising demand for all things tech

Value-creation model
Creating long-term value, sustainably

Inputs ▶	Value creation approach

Financial capital

- Shareholder's fund: INR 1,51,567 Lakh
- Gross debt: INR 2,24,796 Lakh

Strategic objectives

Manufactured capital

- DC capacity: 101.8 MW
- Network length: 1,10,000+ Km
- Enterprise endpoints: 1,25,000

To be the partner of choice for enterprises embarking on their Digital Transformation journey

Intellectual capital

- Partnerships with global majors
- Product development team: 128 members

Human capital

- Employees on roll: 3,912
- L&D expense: ~INR 200 Lakh

To deliver maximum value to our stakeholders across all lines of our business

Social and relationship capital

- Customers: 3,000
- CSR spend: INR 331 Lakh

To build and reaffirm our strengths as India's premier ICT player

Natural capital

- Optimization of power utilization
- Adoption of newer technologies using equipment, tools to achieve better efficiency
- Investment in renewable energy: INR 3,753 Lakh

To ensure that as a Company, we are at the forefront of the Digital Transformation curve

① ② ④ ⑦

Sify's business model is the foundation for effectively implementing and driving a sustainable business strategy. The business model strives to allocate resources in the best possible way to create sustained value for all stakeholders.

▶	Outcomes	▶	UNSDGs
Business verticals	• Net profit: INR 6,744 Lakh • Revenue: INR 3,34,037 Lakh • EBITDA: INR 62,907 Lakh		
Sify Technologies Ltd. Offers Network connectivity services *Click here to read more*	• % of business from new clients: ~10-15% every year • Revenue from top 5 customers: ~26% • Key sectors– BFSI, Manufacturing and ITES		
	• Application services: 30% of overall revenue		
Sify Infinit Spaces Ltd. Offers Data Center colocation services *Click here to read more*	• Revenue per employee: ~INR 86 Lakh • EBITDA per employee: ~INR 16 Lakh • Total training hours: 71,045		
	• % of repeat business: ~80% • Average length of relationship with customers: >5 years • CSR beneficiaries: VIRRD Trust, Raju Vegesna Foundation, Voluntary Health Services, Shree Anand Charitable Trust, Sri Hanuman Mani Education & Culture Trust, Dr Ambedkar Yuvajana Sangham Trust		
Sify Digital Services Ltd. Offer Digital and IT services *Click here to read more*	• Improve the performance of energy utilization: ▲ 1% • Water Usage Efficiency in %: 2% • Scope 2 emissions (Power commission went from 65 MW to 100MW) ▲ 14%		

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Financial capital

Creating a robust financial framework to drive sustainable growth

Sify continues to focus on building a strong financial capital framework by ensuring the judicious use of its financial resources. Its strategic approach is centered around ensuring that the organization has adequate financial capital available to steer sustainable future growth. In line with this approach, it makes prudent investments in capacities and capabilities to harness the opportunities needed to scale the next level of expansion and progress.

Over the past five years, Sify prudently invested invested INR 2,33,311 Lakh in augmenting its tangible assets to maximize the emerging opportunities for future growth.

Mapping growth across key metrics

- FY 2019
- FY 2020
- FY 2021
- FY 2022
- FY 2023

Revenue from operations
(INR in Lakh)

2,15,469
2,29,521
2,43,195
2,70,257
3,34,037

EBITDA
(INR in Lakh)

31,221 40,765 50,856 60,400 62,907
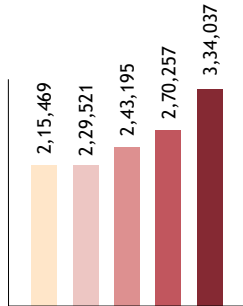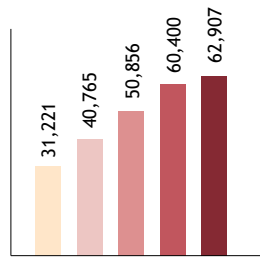
Profit before tax
(INR in Lakh)

10,714 10,197 16,003 18,628 10,210
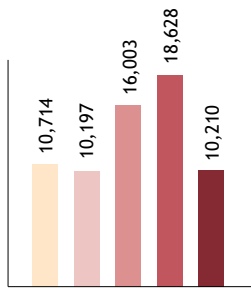
Profit after tax (INR in Lakh)

10,687 7,054 15,319 12,725 6,745

Term debt (INR)

55,112 58,439 61,133 98,415 1,81,602
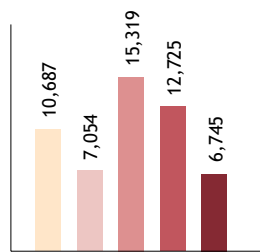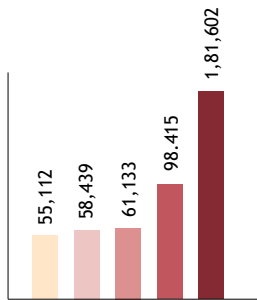
Earnings per share
(Basic)(INR)

6.9 3.9 8.5 6.9 3.6
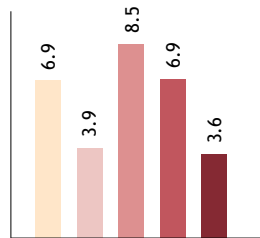
Shareholder funds
(INR in Lakh)

1,07,772 1,13,495 1,31,636 1,44,887 1,51,568
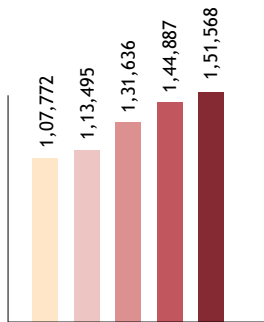
Debt management

As on 31 March 2023, Sify had a debt-equity portfolio (long-term and short-term debt from banks and others) of INR 1,81,602 Lakh. Around 1% of the debt was in foreign currency. During the year, the Company repaid INR 27,051 Lakh debt, leading to further improvement in its leverage ratios.

120%

Debt-equity portfolio

As on 31 March, 2023

Capital investment

Sify continues to make significant investments, year on year, in building its tangible assets which include its data centers and network infrastructure. The cumulative capex incurred by the Company over the past five years stood at INR 2,33,311 Lakh, of which INR 62,291 Lakh was incurred in FY 2023 alone. The Company prudently funds its capital investments through a balanced mix of internal accruals and external debt.

Cash flow (USD Million)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Operating activities	19	67	92	30	101
Investing activities	(52)	(57)	(49)	(105)	(170)
Financing activities	40	0	8	55	60
Cash & cash equivalents*	9	19	66	45	33

*Net of bank overdraft used for cash management purposes

Sustaining margins

Sify's judicious approach, along with its focus on delivering better and more customized solutions to its clients, has enabled it to sustain its business profits and margins even in a competitive landscape. The Company continues to report a healthy Return on Capital Employed (RoCE) of around 7%.

Working capital

Sify manages its working capital by optimizing the cash flows and leveraging the borrowing lines from banks and other financial institutions. Better working capital management, coupled with competitive pricing and effective deployment of cash enables the Company to optimize its finance cost.

Impact on other capitals

Manufactured capital

Funding investment in tangible assets

Human capital

Propeling people training and team-building efforts

Intellectual capital

Financing innovation efforts

Natural capital

Investing in environment management efforts

Social & relationship capital

Investing in community development programs

UN SDGs impacted

Future plans

- Further maximization of cash flow from operations
- Continued investment in data center and network infrastructure
- Focused investment in renewable energy and new-age technology start-ups

Sify's progressive journey of FY 2023

FY 2023 witnessed Sify's continued progress on the major metrics of performance quarter on quarter.

Quarterly highlights

Q1   April - June

Financial highlights

Revenue

INR 77,091 Lakh

20% increase over the same quarter last year

EBITDA

INR 15,254 Lakh

5% increase over the same quarter last year

Profit before tax

INR 3,949 Lakh

10% decrease over the
same quarter last year

Profit after tax

INR 2,710 Lakh

18% decrease over the
same quarter last year

Vertical-wise performance

Network services

11%

Increase over the same
quarter last year

40%
Contribution to revenue

Data center services

56%

Increase over the same
quarter last year

34%
Contribution to revenue

Digital services

1%

Increase over the same
quarter last year

26%

Contribution to revenue

Business highlights

- Invested USD 150,000 in start-ups in the Silicon Valley area as part of our Corporate Venture Capital initiative. To date, the cumulative investments stand at USD 3.44 Million

- Commissioned incremental capacity of 4MW across Noida and Hyderabad data center facilities

- As on 30 June, 2022, Sify provided services via 824 fiber nodes and 1,910 wireless base stations across the country, clocking a 11% and 5% increase, respectively, over the same quarter last year

- Network connectivity services crossed a critical milestone of deploying more than 5000 SDWAN service points across the country

New customer engagements

Network services

- A subsidiary of the central bank responsible for payment infrastructure contracted Sify for data center interconnect, network for storage replication and DC traffic

- One of the oldest international names in the financial media industry, a multinational investment bank, and an international car major contracted Sify for an independent network

- One of the oldest supply chain management players contracted Sify for a full refresh of their network connectivity

- AMS-IX India, a carrier-neutral, open internet exchange, is now operational at Kolkata and Hyderabad

Data center services

- International players who co-located in Sify data center included a cloud security company, multiple cloud contact center software providers and an application security and multi-cloud management player

- An international digital studio, a private bank, and a co-operative society were among those who opted to migrate from on-premises DC to Sify DC

- A domestic banking major expanded their DC and DR infrastructure with its hosting in Sify DC

Digital services

- One of India's premier steel major contracted Sify to refresh and augment their network managed services

- Industry majors from steel, life insurance, e-commerce, and infrastructure sectors contracted Sify's digital services to migrate from on-premises DC to the Company's cloud platform

- An MNC steel player and a private health care provider contracted Sify for greenfield cloud projects.

- An apex body for insurance information contracted Sify to augment and refresh their infrastructure managed services

- A power regulatory authority contracted Sify to set up a security operations center and for managed services

- Contracts for services such as DRaaS, PaaS and IaaS included major players from the hosiery, IT, renewable energy, healthcare, and banking sectors

- The regulatory body for insurance, a consumer durables manufacturer, an insurance player, and a logistics major contracted for Sify managed services

- A home-grown chemical major signed a multi-year managed security services contract

- Multiple players from insurance, one of India's premier stock exchanges, a shipping major, one of the largest public sector banks and an investigation agency contracted Sify for its hardware security modules for data protection

Q2   July - September

Financial highlights

Revenue

INR 79,380 Lakh
14% increase over the same quarter last year

EBITDA

INR 15,090 Lakh
2% increase over the same quarter last year

Profit before tax

INR 22,001 Lakh

52% decrease over the same
quarter last year

Profit after tax

INR 1,117 Lakh

69% decrease over the same
quarter last year

Vertical-wise performance

Network services

14%

Increase over the same
quarter last year

43%

Contribution to revenue

Data center services

38%

Increase over the same
quarter last year

32%

Contribution to revenue

Digital services

8%

Increase over the same
quarter last year

25%

Contribution to revenue

Business highlights

- Invested another USD 772,000 in start-ups in the Silicon Valley area as part of our Corporate Venture Capital initiative. To date, the cumulative investments stand at USD 4.21 Million

- Commissioned incremental capacity of 5MW at the Hyderabad data center

- As on 30 September, 2022, provided services via 834 fiber nodes and 1,880 wireless base stations across the country – a 10% and 2% increase, respectively, over the same quarter last year

- Network connectivity services now deployed at 5,600 SDWAN service points across the country

New customer engagements

Network services

- An international cloud security company, a global technology company, and two private banks contracted Sify to have their networks built

- A large public insurance company, an edutech unicorn, and the housing division of a public sector insurance player contracted Sify for managed and secure SDWAN service

- One of the largest private banks contracted Sify for cloud connectivity network

- A subsidiary of the central bank responsible for payment infrastructure contracted Sify to expand their Wi-Fi footprint across their location

- A global consulting major and a cooperative bank contracted Sify for collaboration services

- The business rolled out trials of its fully automated self-service portal, allowing customers to provision network-on-demand for more than 200 locations

- Sify received the gateway license for Kolkata, making it the third international gateway

Data center services

- International players who signed up for data center space included a social media network, a credit rating agency, and a cloud security company

- A nationalized bank and the government's rural development authority migrated from competition to Sify's DC

- India's premier hotel chain, a mobile engagement platform, a supply chain major, and a regional broadband service provider contracted Sify to migrate from their on-premises DC to Sify DC

- An Indian conglomerate partnered with Sify to build a campus network and managed services

- A large public sector bank, a state government body, a private insurance major, and a domestic agrochemical manufacturer renewed their managed services contract with Sify

- A national insurance information body, a private insurance player, and an NBFC signed up for Sify's DC and infrastructure and managed services

- Two state governments, a couple of insurance majors, a pan-India retail player, a software start-up, and the cyber wing of a state government contracted Sify for services such as DRaaS, PaaS and IaaS

- A large private bank contracted Sify to expand their data center

- A state cooperative bank contracted Sify for security infrastructure and managed services

Digital services

- Industry majors from insurance, IT, healthcare, retail and NBFC contracted Sify to migrate from on-premise DC to our cloud platform

- A cloud-based payroll processing player and an NBFC contracted Sify for greenfield cloud projects

Q3 October - December

Financial highlights

Revenue

INR 88,955 Lakh
31% increase over the same quarter last year

EBITDA

INR 16,190 Lakh
3% increase over the same quarter last year

Profit before tax

INR 2,267 Lakh

52% decrease over the same
quarter last year

Profit after tax

INR 2,579 Lakh

25% decrease over the same
quarter last year

Vertical-wise performance

Network services

8%

Increase over the same
quarter last year

38%

Contribution to revenue

Data center services

19%

Increase over the same
quarter last year

27%

Contribution to revenue

Digital services

90%

Increase over the same
quarter last year

35%

Contribution to revenue

Business highlights

- Commissioned incremental data center capacity of 4.1 MW

- As on 31 December, 2022, Sifyprovided services via 846 fiber nodes across the country - an 11% increase over the same quarter last year

- The network connectivity service now deployed 5,900 SDWAN service points across the country

- Invested USD 482,500 in start-ups in the Silicon Valley area as part of the Corporate Venture Capital initiative. Until 31 December, 2022, the cumulative investment stood at USD 4.69 Million

New customer engagements

Network services

- A subsidiary of the central bank responsible for payment infrastructure contracted Sify for data center interconnect, network for storage replication and DC traffic

- One of the oldest international names in the financial media industry, a multinational investment bank, and an international car major contracted Sify for an independent network

- One of the oldest supply chain management players contracted Sify for a full refresh of their network connectivity

- AMS-IX India, a carrier-neutral open internet exchange, is now operational at Kolkata and Hyderabad

Data center services

- An international banking major and its subsidiary signed up to migrate from their on-premise DC to Sify DC

- A public sector bank, a government agricultural governing body, a state division, and a private power player migrated from competition to Sify DC

- A private finance player contracted with Sify to modernize their data center

Digital services

- A health services major and a co-operative bank contracted Sify for a greenfield cloud implementation

- A large public sector bank signed up for private cloud storage at Sify's on-premise data center

- A large automobile major and a financial services major signed a multi-year contract to have their infrastructure managed and services refreshed

- A state data center, multiple manufacturing majors, and a power subsidiary of another

state government contracted Sify for services such as DRaaS, PaaS, and IaaS

- A public sector and another state cooperative bank signed up with Sify for security infrastructure and managed services

- A large public sector oil major and a public sector bank have contracted Sify to have their collaboration infrastructure revamped across all their offices

- A public sector banking major signed up with Sify to have their on-premise network operations center refreshed

Q4   January - March

Financial highlights

Revenue

INR 88,611 Lakh

30% increase over the same quarter last year

EBITDA

INR 16,373 Lakh

7% increase over the same quarter last year

Profit before tax

INR 1,793 Lakh

62% decrease over the
same quarter last year

Profit after tax

INR 339 Lakh

85% decrease over the
same quarter last year

Vertical-wise performance

Network services

10%

Increase over the same
quarter last year

40%

Contribution to revenue

Data center services

32%

Increase over the same
quarter last year

29%

Contribution to revenue

Digital services

66%

Increase over the same
quarter last year

31%

Contribution to revenue

Business highlights

- As on March 31, 2023, Sify provides services via 892 fiber nodes across the country, a 9% increase over last year.

- As on March 31, 2023, Sify has invested USD 2.09 Million in start-ups in the Silicon Valley area as part of our Corporate Venture Capital initiative. To date, the cumulative investment stands at USD 5.38 Million.

New customer engagements

Network services

- A spirits major contracted Sify to build their factory network under an IoT coverage

- The central bank's IT subsidiary, a steel major and a hydrocarbon player contracted to build edge networks

- Sify was contracted to expand the MPLS connectivity for the IT arm of the Central bank along with multiple other private and public sector bank

- A subsidiary of the Central bank, a retail major and a private banking major contracted Sify for managed and secure SDWAN service

- One of the top four consulting majors and two retail majors signed up for Contact Center as a Service

Data center services

- The banking and asset management arm of an international bank, a financial services player and two domestic public sector banks signed up to migrate from their on-premise DC to Sify

- A private bank expanded their engaged with Sify for colocation space

- Three scheduled banks, a financial services major and a government agricultural lending body migrated from the competition to Sify Data Centers

- An international Cloud security major contracted Sify for capacity expansion across multiple locations in India and to also upgrade their Internet protocol transit infrastructure

Digital services

- Among those who moved from their on-premise Data Center to our multiple cloud platforms were India's largest private bank, a State Data Center, a cooperative bank, a health services major, multiple financial services players, a retail major, a logistics player and a co-operative bank

- One of India's largest public sector banks, a global steel producer, the apex body for insurance regulations, a healthcare chain and a distribution chain for a global heavy equipment manufacturer contracted for a Greenfield Cloud implementation

- The largest steel producer, an insurance major, a state eGovernance platform and multiple manufacturing majors signed up for services such as DRaaS, PaaS and IaaS

- A public sector bank and two state data centers signed up to commission private cloud at their on-premise Data Centers

- Among those who contracted for managed services were a state government, a retail major, a large public sector insurance company, the central bank's training body and a state power distribution arm

- A Public sector bank and a government utility body signed up for security infrastructure and managed services

- Sify delivered one of the largest tranches of online assessments across India for one of the largest defence research establishments

- One of the largest oil major, a refrigeration MNC and a retail major signed up for Sify's supply chain management solutions

- An oil refining major, the country's premier stock exchange, a digital wallet and multiple banks signed up for digital certification services

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The current uncertainties in the external environment have laid stringent focus on prudent use of financial resources. We remain focused on the judicious use of these resources to strengthen our financial capital and drive sustainable value creation for the Company. Our efforts are directed towards scaling to the next level of growth through investments in tangible assets, people, tools, and technologies that will help in effectively harnessing the emerging opportunities and catering to the evolving needs of our clients.

M. P. Vijay Kumar

Executive Director and
Group CFO

Manufactured capital

Strengthening assets and infrastructure to harness tomorrow's opportunity

Sify continues to invest in building its tangible assets and network infrastructure. Its focus is on leveraging advanced, breakthrough technologies to build on its offerings and deliver them seamlessly to its large enterprise customers across the IT landscape.

Data centers

As the largest player in India's data center space, Sify has a footprint of 11 concurrently maintainable data centers. The Company has strategically de-risked its business in this segment by locating its data centers in different seismic zones, with high redundancies in key utilities that meet the highest standards of the industry.

- A balanced geographical spread of infrastructure across regions enables the Company to deliver its service offerings to more than 1,500 large enterprises pan India and across the world.

- The Union Budget 2022-23 declared DCs as part of the 'harmonized list of infrastructure'. This grant of status enables a sector to raise money from insurance companies, pension funds, and international lenders with longer tenure and on easier terms. This will result in attracting investors and generating employment while creating business opportunities for Sify.

101.8 MW
IT Power

Network assets

Sify's IP Multiprotocol Label Switching (MPLS) enabled network is one of the largest in India. It consists of about 1,25,000 enterprise endpoints in more than 1,600 cities, connecting 53 data centers across India. The Company's Open Cable Landing Station ensures high-quality data transmission between the continents.

1,10,000+ km
Dark fiber length

Impact on other capitals

Financial capital

Enables revenue, profit, and liquidity growth

Human capital

Provides for skill development in different fields in Network

Intellectual capital

Catalyzes opportunity to develop customized solutions

Natural capital

Ensures increased consumption of utilities

Social & Relationship capital

- Gives liquidity to enhance CSR activities
- Strengthens relations with suppliers and customers

Future plans

- To build a total capacity of 350 MW in the next 3-5 years
- To augment the capacity of DCs in the traditional DC hotspots of Mumbai, Delhi, Chennai, Bangalore, and Hyderabad over the next 3-5 years; each data center will offer in the range of 10-50 MW capacity along with large floor height, on-premise substation and high-power density per rack
- To deploy networking assets in metros and tier-2 cities in India
- Until 31 March, 2023, Sify had adopted renewable power. In the next 4 years, we plan to scale up 50-75% of our power demands from renewable energy

FY 2023 highlights

- Currently offer 101.8 MW of IT power
- Scaled up investments in fiber networks in select metro cities

UN SDGs impacted

> **We have consistently been expanding and strengthening our tangible assets to create an infrastructure that is ready to meet the current and future demands of our growing customer base. Our Network Assets are a fundamental and robust engine to steer the Company's growth efforts, and we continue to make significant investments in the development of this business.**

Harsha Ram

Business Head - Networks

Intellectual capital

Innovating to sharpen the competitive edge

Sify's skill and knowledge base enables it to innovate new products and more advanced platforms to keep pace with the evolving needs of clients and the industry. It gives the organization a competitive edge needed to stay ahead of the curve in the transforming business landscape. It also enables the Company to partner with its clients more effectively in their digital transformation journey.

Sify products and their competitive advantage

Sify Beacon

Product Description

- NMS tools for shared and dedicated managed service platform

- Provides fault management, configuration management & performance management

Product edge

- Complete in-house development & support

- Reduces device certification cycle (two weeks)

- Agility in new feature development/ enhancements & support

OnNet

Product Description

- Order services in real time via a portal between select sites

- Change bandwidth and create new services in real time

- Connect to internet, public clouds, data centers and other enterprise sites

- Fixed bandwidth or burst bandwidth [schedule or demand]

- Pricing – fixed or usage based

Product edge

- Enable customers to gain control of networks

- Self-service ordering, making change in minutes

- Near real-time service delivery

- Seamless connectivity across enterprises/data centers/ clouds

- Scale networks with agility, flexibility and choices

- **Agility:** Real-time scale up and down of bandwidth in line with digital business needs

- **Flexibility:** Pay per use billing with flexible contracts – fixed or burstable bandwidth

- **Choices:** A service for any flavor of business requirement – MPLS / DC interconnect / global cloud connect / internet / P2P / voice and messaging / communication as a service

- Single pane of glass service lifecycle management

- Value to customers

- Ordering

- Account creation TAT shrunk to 24 hours

- Order registration is digital and instant

- Service Delivery

- Feasibility TAT shrunk to minutes

- Cross connect TTP shrunk to under 48 hours

- Service activation TTA shrunk to minutes

- Service testing and verification automated as part of activation

- Service assurance

- Bandwidth changes online and in minutes

- Standard service requests fulfilment with auto remediation

- Service disconnect management- automated and instantaneous

- Service shifts within feasible sites online and within minutes

Sify's Data Center Architecture 5.0

Product description

- In-house developed data center architecture

- SDA 5.0 builds upon the POD-based SDA 4.0 design architecture and is a cost-optimized design suited for the Indian ecosystem.

Product edge

- **Higher flexibility**
  Provides for increased customization even as it optimizes the cost of design and construction

- **Better yields**
  Its enhanced customization options allow for customization to higher resilience and densification options to 2x, which helps in maximizing KW yield

- **Lower capital cost**
  The inside-out design philosophy, increased standardized features and components, in-house engineering and delivery team and just-in-time, modular construction reduce the capital cost for setting up the Data Center

cloudinfinit™

Product description

- Offers on-demand infrastructure on a multi-tenant, robust and fully scalable platform.

- Utilized to host the most demanding IT applications of client.

Product edge

- **Wide array of services**
  Include a wide range of choices across the portfolio of Computer, Storage, Network, Security, Analytics and Protection services to provide end- to-end IT infrastructure on a pay-per-use basis

- **Safety and service assurance**
  IT applications of clients are located in enterprise-grade, secure, highly available with self-service environments backed with stringent service-level guarantees

Cloud Management Platform

Product description

- Consistent user experience across clouds to simplify consumption

- Out-of-the box blueprints that can be further customized

- Detailed tracking of billing data to rationalize consumption and optimize costs

- Automated discovery & tagging of resources across clouds for efficient management

Product edge

- Architect and implement the most efficient multi/hybrid cloud

- AI -driven continual workload optimization for improved app performance

- Round trip ITSM integration for comprehensive visibility and auto remediation

Online Sales Portal

Product description

- Order, Provision and Contract our products and services across Data Center, Network and Digital Services in real time via a portal

Product edge

- Turnaround time optimizations

- Enhanced customer experience that builds better customer engagements

- Service status transparency

- Customer retention via instant & delayed gratification

- Ease of ordering and fulfilment

ForumNXT™

Product description

- An India-centric inventory management solution to handle local supply chain management challenges for global companies entering India

Product edge

- **Integration of multiple services**
  This Cloud-based solution is integrated with Sify cloudinfinit™ and Amazon's Web Services (AWS) platform, - it can easily be scaled to meet the needs of large international businesses

- **Visibility**
  Gives brands visibility on their products, distribution, challenges, markets and demand

Sify LiveWire

Product description

- Sify's home grown Learning Management System

Product edge

- This is a basic LMS for small to mid-range companies; however its major edge over competition is its ability to gather analytics from XR apps via xAPI through the LRS (A future scope in the roadmap)

SkillFLO (IP initiated)

Product description

- An SOP authoring platform with support for streaming videos, along with an end-user app for Android and iOS tablets to view content offline. There's a Progressive Web App for end users on web browsers as well full online access.

Product edge

- Ability to export authored content as SCORM packages that could then be imported to any LMS

- Ability to integrate the analytics with third- party xAPI compliant LMSs via their LRS

6DoF based VR on Android & iOS mobile devices - VR6DoF (patent initiated)

Product description

- A unique solution developed by Sify COE that allows VR experiences on mobile devices with 6 Degrees of Freedom

Product edge

- No other known service provider in the world currently has 6DoF capability on mobile devices (Android & iPhone)

Investing in technology tie-ups

As part of its Corporate Venture Capital initiative, Sify makes sustained investments in start-ups in the United States and India. During FY 2023, it invested USD 2.0 Million in start-ups to promote innovation that will drive the creation of pathbreaking products and platforms to meet the future needs of its clients.

USD 2.09 Million

Investment in start-ups in FY 2023

Enhancing digital experience

Sify successfully completed the automation of service assurance, asset management, and service provisioning across its network which was a part of its Digital Experience Project. This initiative promises to enhance customer experience significantly and on a sustainable basis.

Impact on other capitals

Financial capital

Leads to profitable
business growth

Human capital

Challenges teams to
enhance their skill sets

Manufactured capital

Boosts capacity to offer to
the market

Natural capital

Can help in optimizing the
consumption of energy and
other utilities

Social & Relationship capital

- Can help improve the lives
  of communities

- Promises to increase client
  stickiness

UN SDGs impacted

Our business success rests on our innovation and R&D capabilities that equip us to deliver breakthrough products and solutions to our clients. Our intellectual capital plays a vital role in empowering us to leverage future opportunities, steer our client's digital transformation journey, and drive us up to the value chain for our customers.

Rajan Bir Singh

Global BIO and CISO

Human capital

Empowering people to drive next-level business excellence

Sify believes its people to be a key propeller in its growth trajectory. They are integral to the success of the Company and vital to the realization of its vision. They are partners in Sify's efforts to drive greater excellence across its business segments and are critical to its commitment to delivering long-term sustainable and inclusive value to the stakeholders.

Sify, therefore, continues to invest in their learning and career development, welfare, and well-being. The Company strives to build its capabilities to promote the 'INNOVATOR' in them – the singular trait that keeps Sify young, agile, and dynamic. It continues to imbue its people with the organizational ethos and embed in them the spirit of passion and innovation to ensure excellence in execution.

HR philosophy and values

To be an Employer of Choice by creating a high-performance work culture through effective people practices that enable its associates to feel empowered and have a feeling of ownership and pride.

Sify's success has been driven by its unique culture that values each Sifyite's contribution to its success story and growth journey.

Promoting Diversity, Equity and Inclusion

It is Sify's constant endeavor to ensure the organization's readiness to meet its business's current and future needs. It continues to improve its people's strengths to keep pace with the growing demands and opportunities and added people during FY 2023.

Diversity, equity and inclusion (DEI) is a key enabler of the Company's efforts in this direction. Sify believes that DEI leads to better hiring, better customer and vendor relationships, better perception of innovation, and a better reputation. The Company prioritizes DEI and has consciously focused itself on building an inclusive workplace environment using multiple tools and practices. The Company takes concerted steps to ensure that its leaders model diversity and inclusion. It is also cognizant of the connection between innovation and DEI.

Sify has, thus, put in place a well-articulated DEI framework to steer the penetration of the DEI ethos across the organization's actions.

Systems

A look at practices, processes and systems to weed out sexism, racism, ageism, ableism, gender disparities and others

People

To engage and know people well for shared vision and voices heard

Fairness

Provide what people need, specifically in equity as well as access and opportunity

Inclusion

Create inclusive strategies that foster representation and belonging

2023-24 Focus:

Increase the women employee strength from 8% to 15%

Ideas

Hiring mandates

15% of all business & technology roles must comprise of women

Policies

Women-friendly policies for shifts/travel/transport need to be looked at

Market & promote

Our talent/role models, our policies and our stories (social/event participation)

Gender diversity across businesses

Company	Male	Female	Total
Sify Technologies Limited	965	155	1,120
Sify Infinit Spaces Limited	129	8	137
Sify Digital Services Limited	2,473	182	2,655
Total	**3,657**	**345**	**3,912**

■ At Sify, DEI is not a marketing campaign but a continual change in organizational culture and mindset. To steer this change, we have mapped our short-term strategy, over the next three months, to certain SMART* goals, aligned to Internal Stakeholders, External Stakeholders, Planning / Review Cadence, and Setting Core Objectives. As part of this strategy, we shall continue to drive social/ external campaigns to help hiring mandates, promote talent and create icons.

*Specific. Measurable. Achievable. Realistic. Time-Bound.

Building a talented and agile workforce

The Human Resource (HR) proposition is centered around ensuring that its workforce is right-sized, right-shaped, agile, and dynamically optimized in terms of cost.

Size Depends on the requirement of roles and skills (building the right competencies for tomorrow)	**Shape** Linked to succession planning (building leadership potential and bench strength)
Cost Revolves around ensuring an optimum resource cost (and that costs are in line with market trends)	**Agility** Centered around having a workforce that is lean, flexible and can adapt to transforming market demands (in line with Sify's trait of being agile)

Sify achieves this proposition by:

- Creating an Annual Operating Plan (AOP) before the start of the financial year

- Conducting workshops led by respective business leaders to develop the AOP, with the participation of Business, Delivery, HR and Finance Teams for each business unit

- Determining manpower requirements (workforce plan) as part of the AOP, based primarily on the business strategy, annualized targets, and existing people analytics revolving around count, skills and cost

- Having management buy-in for the hiring roadmap basis the workforce plan, in terms of the required count of resources, as well as skills and hiring strategy to source the talent

- Planning Internal Job Postings (IJPs), referral campaigns and external talent hunt

- Incorporating skill development plan basis the business and skill requirements, followed by planning and roll-out of in-house training models, vendor and OEM training avenues, etc.

- Executing the workforce plan through a collaboration of business, HR and learning partners

- Reviewing the workforce plan every quarter by all stakeholders to check for readiness status and changes, if needed, basis business and market needs

Robust hiring strategy

Sify has adopted a two-pronged approach to ensure the right mix of experience and fresh talent in its team.

Lateral hiring

- Focus on specialized and niche skills, powered by experience and expertise
- Sourcing and hiring candidates with relevant functional knowledge, subject matter expertise, competency check, and cultural fit
- Designated panels for each technology tower established to assess specific technical skills; assessment done for specific competencies required to perform the role through a case study and scenario-based evaluation technique
- Online assessment tools like Mettl's and Thomas profiling for specific functions used in the selection process
- IJPs (Internal Job Postings) undertaken to give opportunities to internal teams to pursue a different career path

Campus Connect

- In-course training that supplements the students' curriculum and imparts industry grades skills
- A comprehensive training program completed and concluded with the on Graduation Day, where the students who successfully complete the training are conferred with certificates and allotted to different teams
- Identification of additional requirement of role-specific young talent needed to be onboarded
- Approaching reputed engineering and management institutes for identifying talented students, screened for aptitude and technical capabilities through online assessments, and followed by technical and HR interviews
- A dedicated team in place to manage the Campus Connect program for promoting the campus corporate relationship

Campus visits and recruitment

	Visits	**Trainees recruited directly**
Management campuses	7	40
Engineering campuses	5	302
Total	**12**	**342**

342

New hires from
campuses in
FY 2023

293 manhours

Spent on induction for campus hires
during FY 2023 (200 Engineering trainees
and 93 Management trainees)

Streamlined onboarding process

Sify has established a well-defined process to ensure the smooth induction and onboarding of an associate into the organization. An associate feedback system exists at key stages of the employee's association with Sify (Day 1, 7, 30, 90), and the feedback is recorded through an online survey called the Onboarding Experience. The survey enables the Company to receive regular feedback from the associate, which is shared with concerned stakeholders to facilitate timely interventions and ensure associate satisfaction.

Keeping employees positively engaged

Sify has various employee engagement forums to keep its people motivated and inspired to deliver their best at all times. They help keep the morale of the employees high and ensure their satisfaction. Some initiatives undertaken include talent showcases, sports events, health camps and quarterly town hall meetings.

Sify's other engagement platforms include:

MFINE

An online platform that lets Sify employees book medical services at discounted prices for themselves and their dependents.

1-to-1 Help counselling solutions

A panel of psychologists and counsellors who address employee issues on various subjects ranging from personal to professional arenas.

Sapphire IMS

A tool that enables employees to raise requests on any HR issue and track the progress of their requests until the resolution.

Amara AI

A tool to track the critical touch points in the employee lifecycle (onboarding to separation), to gauge the employee's level of engagement in the organization and enable Sify to proactively identify employees who are highly disengaged or at attrition risk.

Prevention of Sexual Harassment (POSH) policy

The POSH policy is strictly enforced in Sify with the objective of providing a safe and secure working environment for all employees regardless of gender.

The Company has constituted a grievance panel to implement this policy and address complaints of sexual harassment and deal with all cases of alleged sexual harassment. The panel includes senior women employees and other members who have been drawn from different businesses and geographies.

Training programs on POSH are organized periodically to ensure employees are educated and aware of the provisions of the POSH Act.

Ensuring sustained learning and development

Cognizant of the importance of keeping its people aligned to the transformations taking place in the business ecosystem, particularly in the context of technology, Sify has put in place a well-defined system of learning and development for its teams. Sify believes that continuous learning towards skill development and a commitment to smartly execute the goals of the organization. The focus of the learning program is on skill upgradation in a culture of continuous learning. It is crafted to drive excellence in performance, along with growth for the individual and the Company.

Sify has a mandate of a minimum of eight hours of learning a quarter (32 hours yearly), which improves the overall competence of its associates. The aim is to build a skilled and motivated workforce that can adapt to new challenges and opportunities. The Company's learning and development programs are designed to support this goal, providing a wide range of learning opportunities to employees at all levels.

Learning transformation

The Company's talent transformation agenda is aligned with the specific skills needed to perform specific roles. It offers learning courses designed to help in the learning transformation, through its internal library or by leveraging external knowledge sources. As per the organization's learning transformation agenda, every associate is mandated to undertake a specific number of courses within a prescribed time frame. Our Chairman's vision is to build 'Sify for Generations'. Technologies change, and businesses transformso that people with open minds and great attitudes learn, transform and perform.

At Sify, we believe that continuous learning towards skill development and commitment are ways to smartly execute the goals of the organization. Our learning process focuses on leadership development, technical and behavioral skill enhancement, and certifications across functions.

Leadership Development

The focus is on developing leaders and honing their professional abilities to take on critical responsibilities and perform efficiently in various leadership roles.

Technical and Behavioural Skill Enhancement

The focus is on both soft and hard skills to develop technical and behavioural competencies of an individual which will help them perform their job efficiently and effectively.

Certifications

Certification programs provide learners with an opportunity to train and develop a specialized skill based on the business requirement. It helps organizations to achieve professional goals and helps in advancement of associate professional career as well.

Key learning and development initiatives

Career Progression Framework

- Created for GNOC team

- Levels covered - L0 to L3 for nine teams

- Assessment creation in progress and will be completed by May, 2023

Competency Framework

- Piloted with DC operations to identify competencies of nine job families

- Identified 23 core competencies (Technical and Functional)

DC Induction Program

- Launched on January 10, 2023 to create awareness of the Sify Data Center setup, technical know-how, behavioral skills, financial components, and compliances

- Overall, 15 modules totaling 8.44 hours
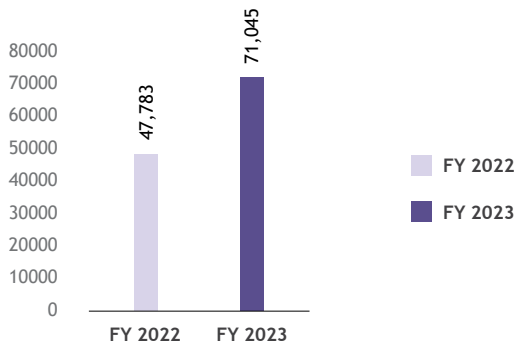
Certification Tracking Tool

- Initiated across BUs to collect information on global certification completed by the associates
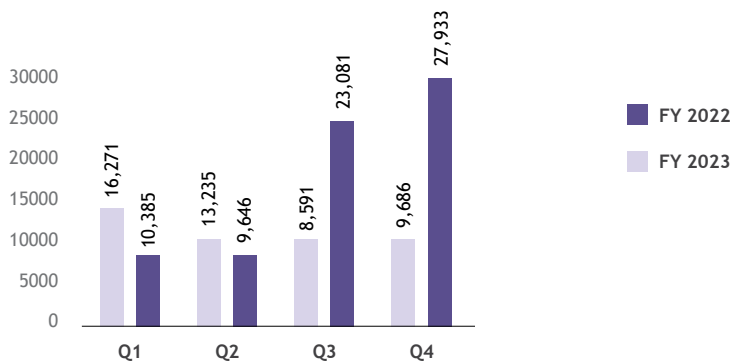
- 167 certifications in the FY 2023

Learn on the Go

- An initiative that enables associates to access courses based on their interests and domain as they go about their daily work schedule or at leisure

- Courses are of short duration (range 5–15 minutes), which can be consumed by associates anytime, anywhere

- These short bursts of courses are identified by the L&D team and published twice weekly

- A total of 59 Learn-on-the-Go courses rolled out
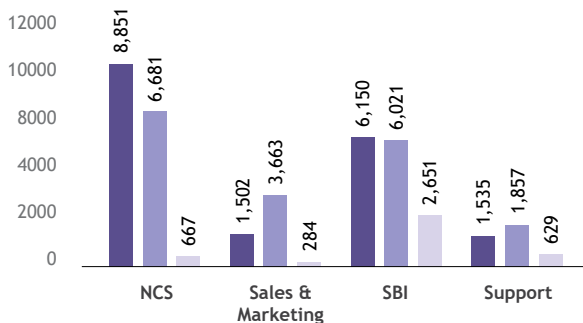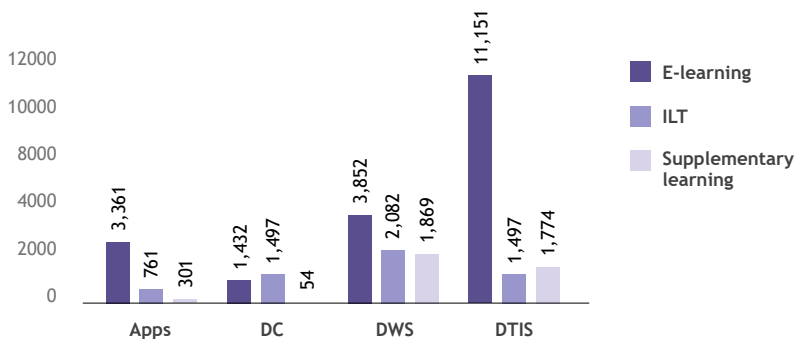
Emphasis on learning

No. of learning hours

Quarterly Learning hours

| | FY 2022 |
| | FY 2023 |

Q1: 16,271 / 10,385
Q2: 13,235 / 9,646
Q3: 23,081 / 8,591
Q4: 27,933 / 9,686

Training delivery mode - learning hours

Legend: E-learning, ILT, Supplementary learning

Apps: 3,361 / 761 / 301
DC: 1,432 / 1,497 / 54
DWS: 3,852 / 2,082 / 1,869
DTIS: 11,151 / 1,497 / 1,774

NCS: 8,851 / 6,681 / 667
Sales & Marketing: 1,502 / 3,663 / 284
SBI: 6,150 / 6,021 / 2,651
Support: 1,535 / 1,857 / 629

Learning hours
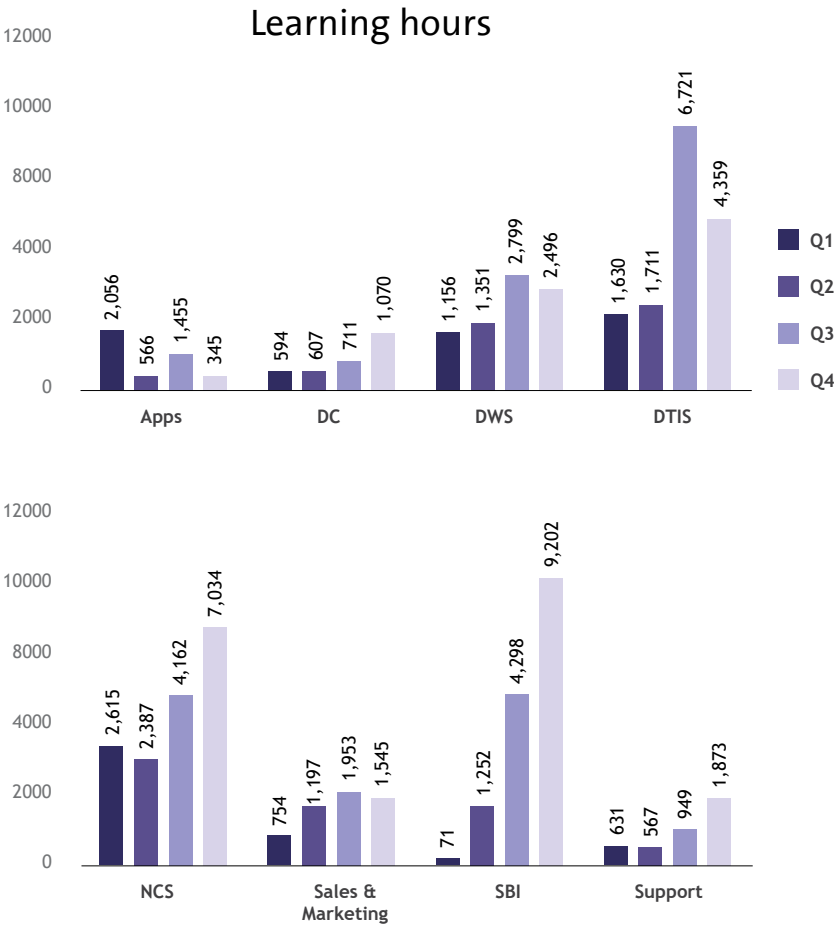
Other initiatives

- Sify sponsors industry-grade certification programs and OEM-sponsored programs for associates who are identified to play key roles in critical projects. These programs enable associates to get trained directly by the service owners and experts.

- The Company reimburses the fees for specific technical courses aligned with the business that are undertaken by associates to encourage and facilitate the upgradation of technical skills and learning of new technologies.

24,223 hours

spent in ILT training

1,533 associates

trained

28,266 hours

spent in technical and Domain training

3,044 associates

trained

38,592 hours

spent in e-learning

3,045 associates

trained

140 trainings

Conducted externally

9

vendors/service providers onboarded for external learning

42,779 hours

spent in behavioral and other training

~INR 200 Lakh

L&D expenses

11

learning and development initiatives

Rewards and recognitions

Employees who demonstrate excellence at work are recognized and rewarded every year at regional and national levels during the Sify Annual Business Conference.

Impact on other capitals

Manufactured capital

Ensures seamless and uninterrupted utilization of assets

Financial capital

Leads to investment in people who work better to enhance revenue and returns

Intellectual capital

Enable increased participation in developing innovative products and solutions

Natural capital

Helps optimize utilization of resources for environment protection

Social & Relationship capital

- Enhances employee engagement
- Provides superior customer experience

UN SDGs impacted

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People are, for us, much more than an operational asset. They are the soul of the organization and the custodians of its vision and ethos. We treat them as our partners in our growth odyssey. We focus actively on nurturing our people resources through training and development initiatives. It is our constant endeavour to keep them motivated with various incentives and reward schemes. We also support them in their career progression, while concurrently ensuring their well-being and welfare.

Lalith Sharma

Chief Human Resources Officer

Social and relationship capital

Fostering relationships today to deliver sustainable and inclusive growth tomorrow

As a responsible corporate, Sify believes in building robust relationships, not just with its clients and shareholders but with all other stakeholders who are directly or indirectly impacted by its business operations. This belief is aligned with the Company's philosophy of creating and delivering holistic, long-term, and sustainable value to all its stakeholders, including the society at large. It is focused on ensuring transparent and ethical business dealings with the stakeholders across its value chain.

Creating value for the industry

With many firsts to its credit, Sify has created a niche of its own, having evolved into the only integrated player in India that offers Network, DCs, and Digital services under one roof.

• It built India's first commercial data center, which laid the foundations for the emergence of data centers as a business stream in the country.

• It also built one of India's earliest Green Data Centers in Noida

• It established India's first MPLS network to support the digitalization journey with bandwidth services available to enterprises, content providers and over-the-top (OTT) providers.

• As the first non-telco, it pioneered the concept of the open cable landing system in India, which democratized connectivity across the globe.

Creating value for customers

Sify's experience of working with diverse Indian enterprises, in addition to its varied portfolio of products and solutions, makes it the preferred choice for an increasing number of business establishments and government organizations. Central to its customer value proposition is the Company's brand-agnostic approach, which helps provide it with the flexibility to service customers based on their requirements and budgets across verticals and services.

- A key example of such flexibility is Sify's Cloud-agnostic Global Cloud Connect, which provides leading Cloud providers, such as AWS/Azure/GCP, a platform that can be seamlessly leveraged by enterprises to connect with their locations, DCs, and workloads in other public Clouds using Sify's countrywide MPLS network.

- Google Cloud customers can also utilize Sify's Data Center Interconnect services which provide cutting-edge performance for mission-critical and latency/high-availability, sensitive applications. This service is offered from 53 Data Centers in the country, including 11 of Sify's own carrier-neutral co-location facilities.

- Sify also gives its customers the advantage of working with its in-house resources when contracting with the organization, as opposed to working with multiple service providers in the case of other players in this space.

Creating value for shareholders

Its core strengths and experience have enabled Sify to sustain its growth momentum even amid challenging times. The Company has consistently reported healthy profits over the past five years, enabling significant wealth creation for its shareholders. It aims to continue to exercise prudence and caution to ensure that it remains on track with its performance guidance over the medium term.

Creating value for communities

Sify continues to invest in expanding its community reach through CSR initiatives in the areas of healthcare, education, sanitation, and general well-being. Contrary to the usual practice of upliftment of the communities around which it operates, Sify chooses to invest in the most backward of communities to positively impact the lives of the people in the long term.

The **'Social and Relationship Capital'** section of this report underscores Sify's contribution to the business community and society at large through the Company's CSR programs.

INR 331 Lakh

Investment in CSR
initiatives in FY 2023

Impact on other capitals

Manufactured capital

Maximizes utilization of tangible assets

Financial capital

Helps in sustaining business growth

Intellectual capital

Fosters creation of new products and solutions

Natural capital

Improves compliances to environment related regulations

UN SDGs impacted

> "Our relationship universe extends beyond our clients and our employees. We are cognizant of our responsibility toward the communities in which we operate. We actively promote corporate social responsibility within the organization to ensure community development. At the same time, we are committed to the socio-economic well-being of our other stakeholders and continue to nurture sustainable relationships with them.

Praveen Krishna

Lead - Investor & Public Relations,
ESG and Corporate Communications

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Natural capital

Towards a greener future

Sify's commitment to the conservation of the environment is unequivocal. Its business strategy encompasses the conservation of the environment, backed by the judicious use of natural resources to minimize the negative impact of its business on the planet and its habitat. The execution of this strategy finds resonance in the Company's responsible approach to building its infrastructure, designing its systems and processes, and delivering its solutions. The Company believes this to be vital for ensuring a favorable environment for a secure and sustainable future.

Sify understands that the extraordinary amount of energy consumed by the DCs is the result of data management infrastructures, the cooling systems, and other utilities contained in these facilities. With this cognizance, the Company is undertaking several initiatives to reduce its carbon footprint and give back to the environment.

(2) (4) (7)

Investing in renewable energy

Notwithstanding their high levels of energy consumption, disregarding data centers is not an option for any country that is on a journey of digital transformation. The only solution is to minimize the carbon footprint resulting from the data centers.

- To achieve this goal, Sify has forged an agreement for sourcing 231 MW of renewable energy for its upcoming data centers.

- Another initiative taken even before this impactful agreement was signed, Sify secured 64 MW of renewable power for its DC in Mumbai.

- As a responsible corporate, Sify also actively pursues the Green Data Center approach in its endeavor to create an eco-friendly environment. A Green Data Center involves the deployment of advanced technologies, along with the formulation and execution of energy-efficient strategies.

Going green at the data centers

With sustainable development embedded in its business ethos, Sify continues to focus aggressively on incorporating green features in the blueprint of its DCs. Some of the key green features included in the blueprint are:

- Site ecology
- Water conservation
- Water reusing
- Smart energy meters and equipment

- Reduction of CO_2 emissions
- High recycle content
- Effective waste management
- Eco-friendly interiors
- Afforestation

Sify uses the Power Optimized Design (POD) structure for its DC construction, thus templatizing the design and power delivery modules. During the construction and operations phase of the DCs, the Sify team conducts regular audits every six months, and the findings are submitted to the Ministry of Environment and Forests (MoEF) in line with the Environment Impact Assessment (EIA) guidelines.

Other initiatives

- To further reduce the carbon footprint of the DCs, some of Sify's DC towers harness solar power for their operations while others use wind energy. The Company aims to increase its dependence on sustainable energy sources for its upcoming assets to further reduce carbon emissions.
- Sify uses motion-sensor lighting through which the power consumption is kept to the necessary luminance only when presence is detected.
- The organization has a 100% buyback of all its infrastructure with its vendors, including the laptops used by its associates.
- Until 31 March, 2023, Sify had adopted 64 MW renewable power. In the next 4 years, we plan to scale up 50-75% of our power demands from renewable energy

231 MW
Investments made in renewable energy

64 MW
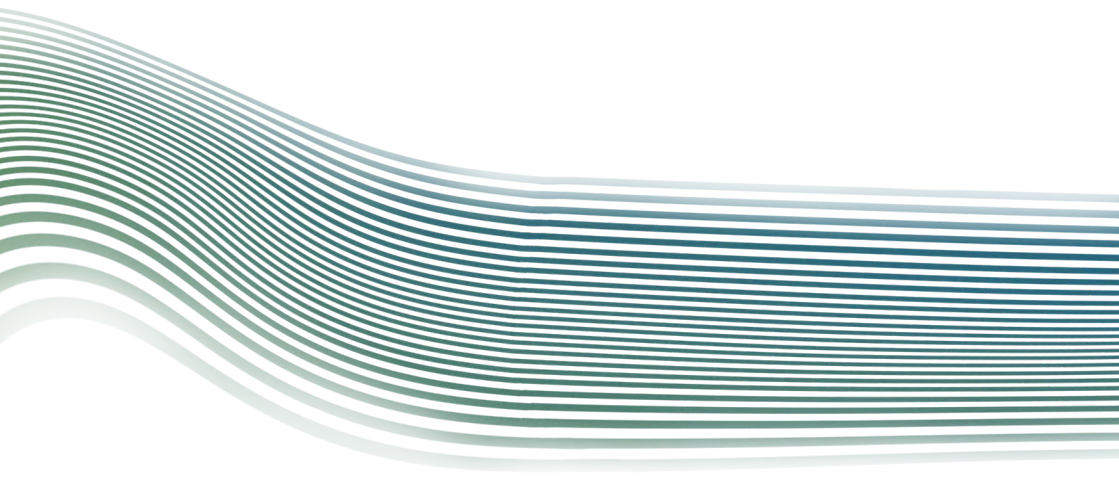Delivered

UN SDGs impacted

"

We are consciously investing in the conservation of natural resources while pursuing environmental sustainability measures in our systems and processes. We continue to move aggressively towards increasing our renewable energy footprint and have incorporated several green features in our Data Centers. We have mapped our future journey along sustainability-led metrics and continue to progress tenaciously towards them while adding sustainable value to the society at large.

Girish Dhavale

Chief Technology Officer –
Data Center Co-location

Pioneering pursuits
to build a successful business
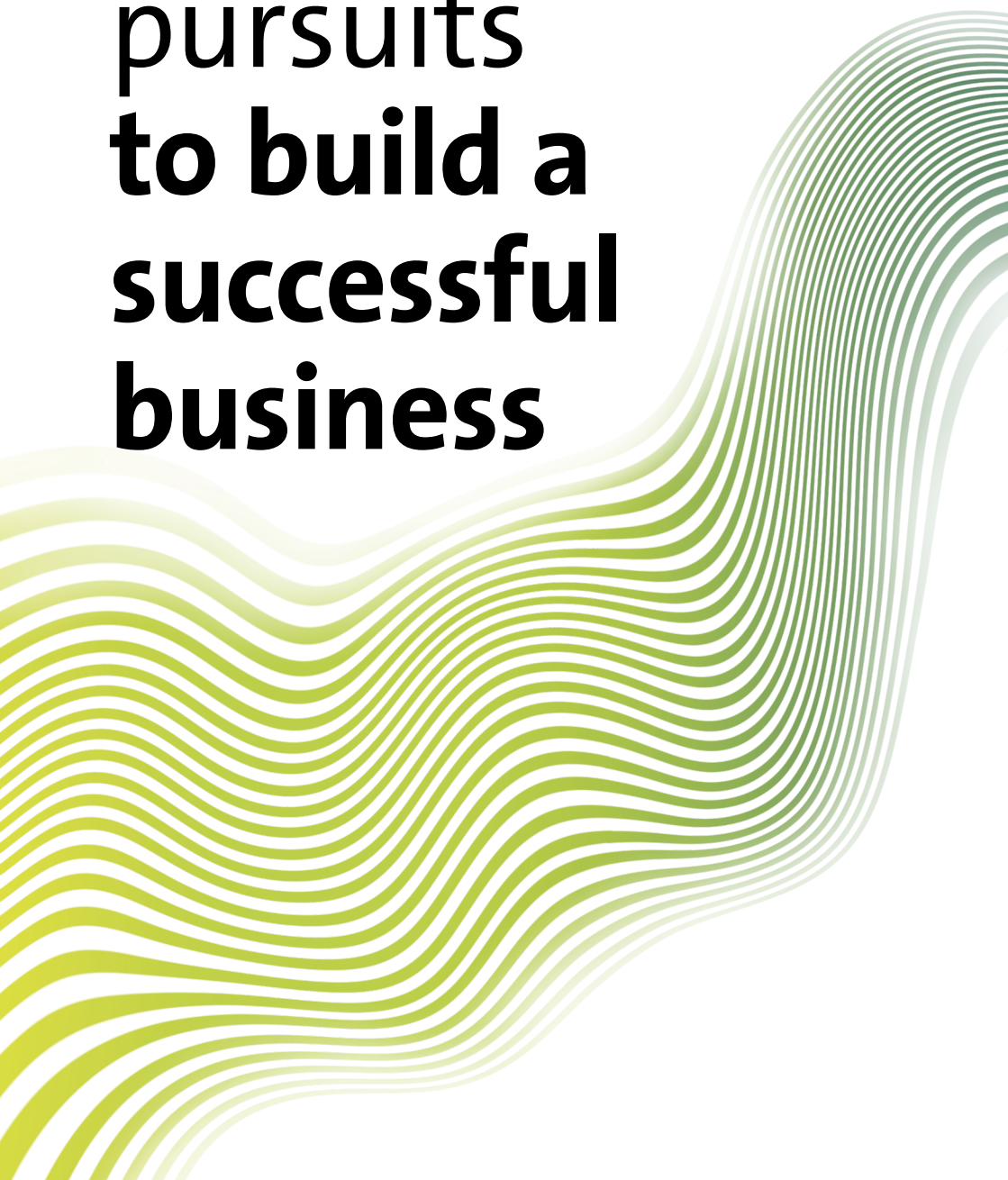
■ Sify's years of experience, domain knowledge, and intrinsic strengths have given it the ability to identify the opportunities ahead and harness them proactively. The Company has laid a well-defined roadmap to prepare itself for the next growth phase by leveraging emerging opportunities across its business segments. To complement it, the Company has set up a clearly articulated risk management strategy that enables it to partner with its clients more effectively in their transformation journey. Sify believes these strengths equip it to be future-ready and prepared to seize tomorrow's opportunities today.
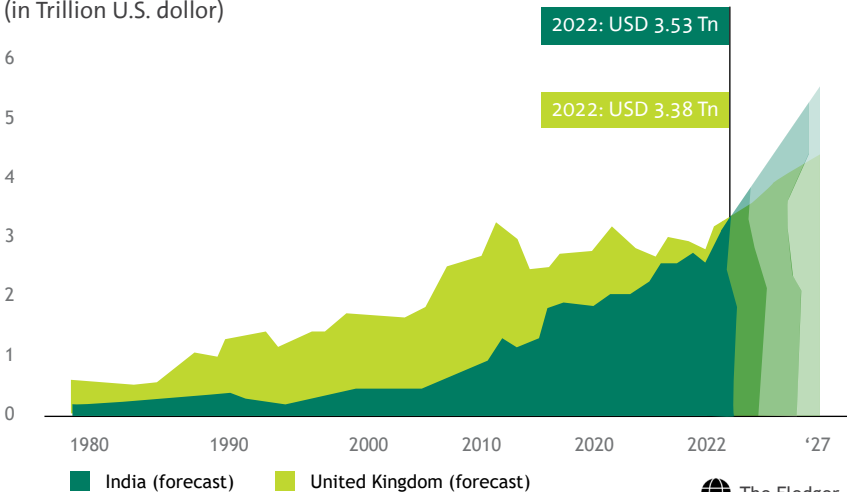
Opportunity landscape

Riding the next wave of opportunity

Sify is actively seeking out opportunities in its industry, with a sharp focus on identifying and capitalizing on emerging trends and shifts in the market. The prospects for the foreseeable future look bright, amid projections of strong economic growth and supportive government policies that are helping unleash the next wave of digitalization in India.

In 2022, India overtook the U.K. to become the world's 5th largest economy

GDP of India and the Unoted Kingdom
(in Trillion U.S. dollor)

2022: USD 3.53 Tn

2022: USD 3.38 Tn

■ India (forecast)   ■ United Kingdom (forecast)

The Fledger

India's digital economy is expected to reach

USD 1 Trillion by 2025

Powered by India's digital tsunami

India's growth projections are driven, in significant measure, by the digital tsunami sweeping the country.

② ④ ⑥

Connected world

By 2025, smartphone users are expected to reach 7.49 Billion.

🌐 Statista

in India

By 2025, smartphone users are expected to exceed 1.5 Billion.

🌐 Statista

Digital business

The global digital transformation market size is expected to grow to USD 3.8 Billion by 2030.

🌐 Business Wire

in India

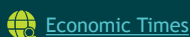India's consumer digital economy is expected to be a USD 800 Billion market in 2030.

🌐 EY

E-commerce

Global e-commerce market is expected to reach USD 62,415.2 Billion by 2030, growing by 11.0% annually over 2021-2030.

🌐 Researchand markets

in India

E-commerce in India is expected USD 350 Billion by 2030.

🌐 Economic Times

Smart cities

The global smart cities market expected to hit USD 7162.5 Billion by 2030.

🌐 Precedence Research

in India

By 2030, urban areas are expected to accommodate 40% of India's population and contribute 75% to the GDP.

🌐 IBEF

E-learning

Online education worldwide is projected to grow by 9.48% (2023-2027) resulting in a market volume of USD 239.3 Billion in 2027.

🌐 Statista

in India

Indian online education market is forecast to grow by USD 3,461.9 Million during 2022-2027.

🌐 Market Research

According to Maximize Market Research Private Limited, along with North America, the Asia-Pacific region is one of the fastest-growing DC markets globally. Furthermore, India is at the forefront of the growth in this region, on the back of supportive government policies, as was manifested in the goals laid down in the National Digital Communications Policy 2018.

Connect India

- 10 Gbps to all villages
- 100 Mbps to all educational institutions
- Fixed line broadband to 50% of households
- 10 Million public Wi-Fi hotspots

Propel India

- Investments of USD 100 Billion
- Creation of innovation-led start-ups
- Train/re-skill 1 Million
- Expand IoT ecosystem to 5 Billion

Secure India

- Comprehensive data protection regime
- Net neutrality principles
- Security testing and standards
- Encryption and security clearances

The strong government focus on powering India's digital transformation has opened new vistas of opportunity for the industry and digital adoption is on the fast track in India.

India is among the top countries on key aspects of digital adaption:

1.2 Billion
People with unique digital identity

0.1%
Cost per GB of data in terms of average per capita monthly income

560 Million
Internet subscriptions

354 Million
Smartphone devices

17hrs/week
Time spent on social media

8.3Gb/month
Data consumption per
data subscriber

Opportunity areas and trends

The digital transformation taking place in India has resulted in several trends emerging in this sector. Sify is well-positioned to leverage these trends and harness opportunities across its business.

Data Centers

DCs are a major propeller of the digital market growth in India. They have emerged as a key transformational driver for enterprises. India's DC industry is expected to close the year with robust demand, with an estimated absorption of power in the range of 150-170 MW. This growth can be attributed to the delivery of pre-committed supply to hyper-scale cloud service providers (CSPs), according to a report by property consultant Jones Lang LaSalle (JLL).

Region-wise expected data center capacity in India by 2028
(in Nos.)

- Mumbai
- Hyderabad
- NCR
- Chennai
- Pune
- Bengaluru
- others

ICRA Ratings
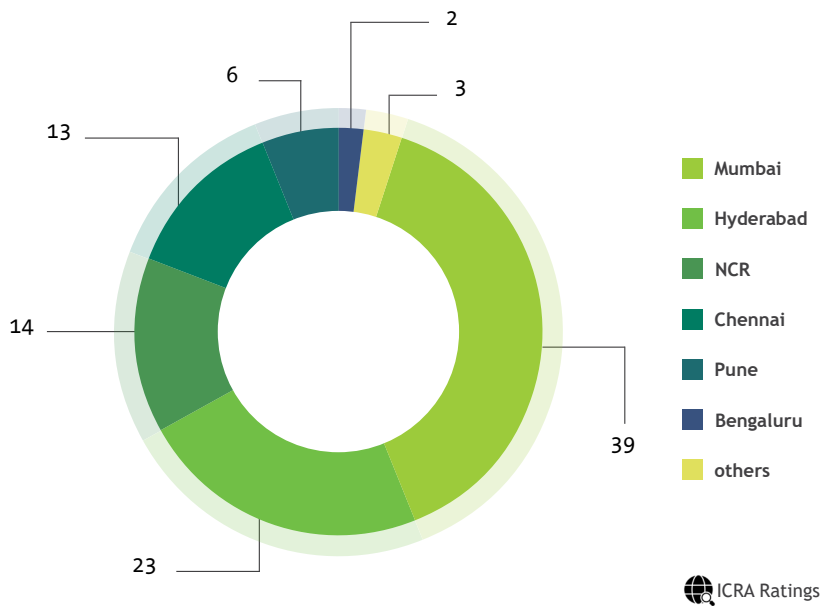
Cloud connectivity

A 5X growth in five years indicates potential in India's Cloud market. The overall India public cloud services market is expected to reach USD 13 Billion by 2026, growing at a CAGR of 23.1% for 2021-2026, according to research firm IDC. The revenue totaled USD 2.8 Billion for the first half of 2022.

5G – Fuel for the future

India took another leap in its digital transformation journey by rolling out 5G services on October 1, 2022. This initiative is expected to unleash new economic opportunities, according to the Economic Survey 2022-2023. It will help the country leapfrog the traditional barriers to development, spur innovations by startups and business enterprises, and advance the 'Digital India' vision, the report added.

The Government of India's initial strategy was to deploy at least 10,000 5G base transceiver stations (BTS) in the country per week. By December 2022, 22,000 5G BTSs were deployed, with the weekly average being 2,500 5G BTSs. Interestingly by March 2023, with the contribution of two telecommunication majors, India has 1,16,204 5G BTSs.

5G Rollout Accelerates in India

Department of
Telecommunications, India
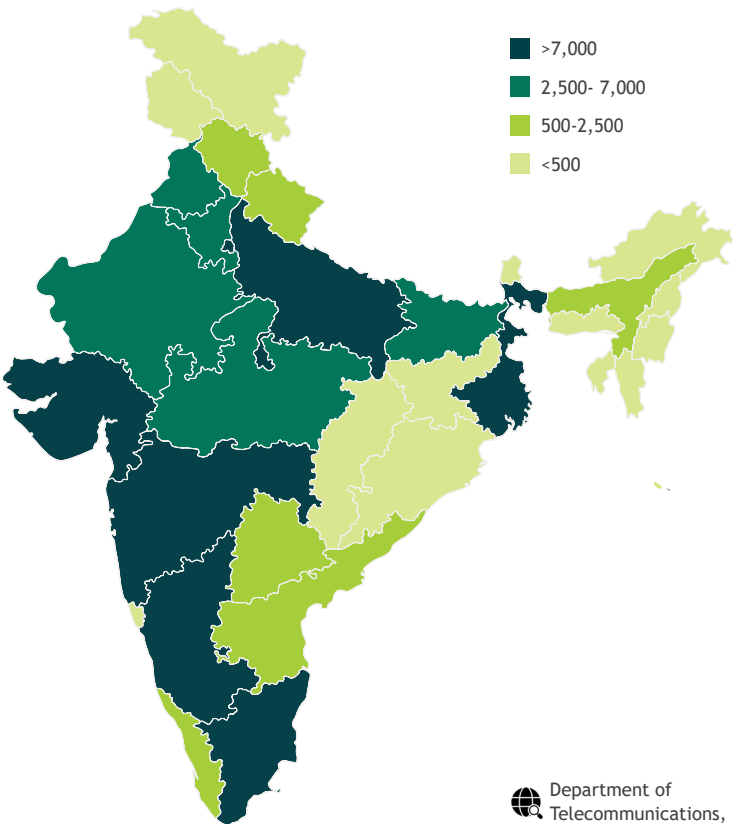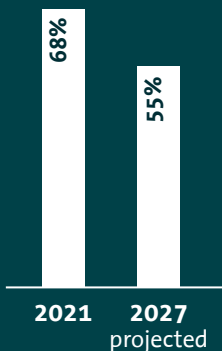
The 5G wave: Here's how India stands

5G will account for **roughly 40%** of all mobile subscriptions in the country

In the next five years

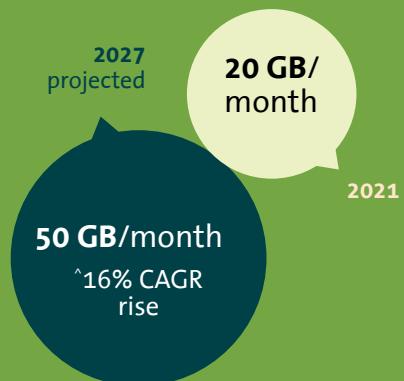India is predicted to have **over 500 Million** 5G subscribers
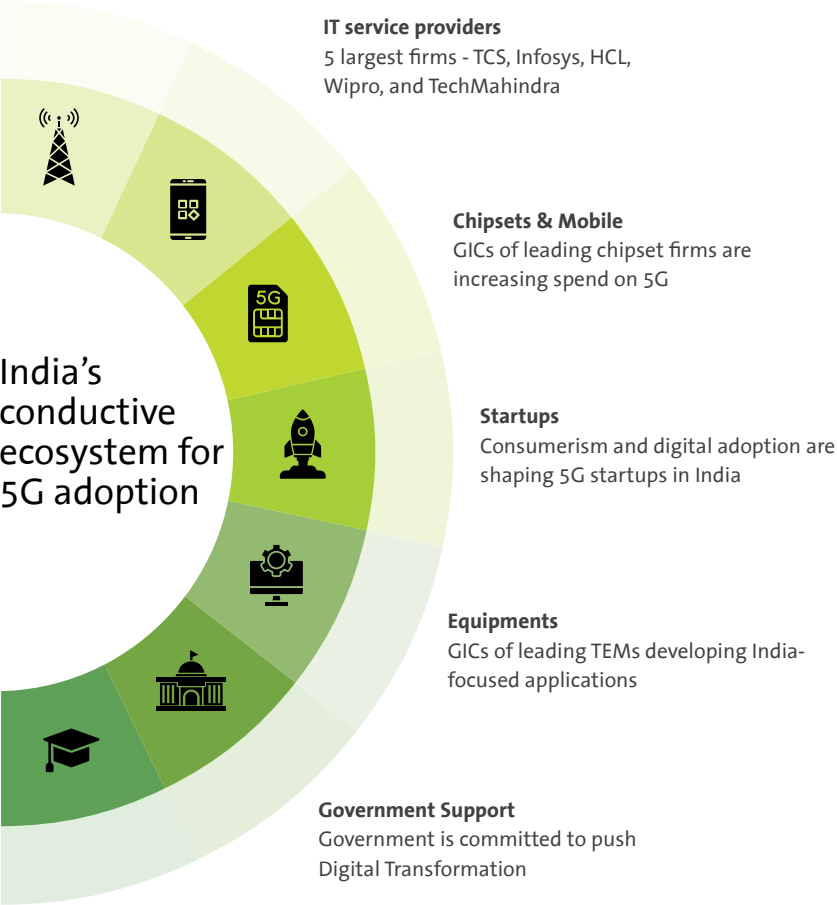
4G subscribtions in the country

68%

55%

2021

2027 projected

Average data traffic smartphone

2027 projected

20 GB/ month

2021

50 GB/month

^16% CAGR rise

Ericson Report

Several factors will contribute to the sustained growth of the 5G market in India.

Telecom operators
Indian operators have
started 5G trials

IT service providers
5 largest firms - TCS, Infosys, HCL,
Wipro, and TechMahindra

India's
conductive
ecosystem for
5G adoption

Chipsets & Mobile
GICs of leading chipset firms are
increasing spend on 5G

Startups
Consumerism and digital adoption are
shaping 5G startups in India

Equipments
GICs of leading TEMs developing India-
focused applications

Government Support
Government is committed to push
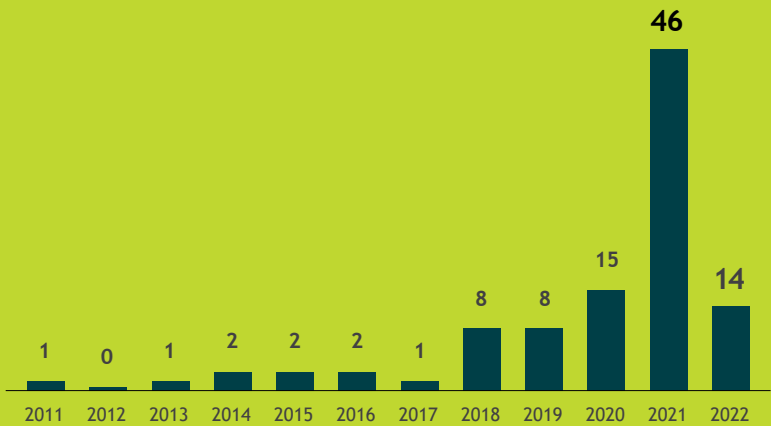Digital Transformation

Universities
5 IITs, 200+ reasearchers are working on
a massive 5G project

Zinnov

141

Of the 100 India unicorns, 60 joined the club in the last 16 months

■ No. of startups that became unicorn

| Year	Value
2011	1
2012	0
2013	1
2014	2
2015	2
2016	2
2017	1
2018	8
2019	8
2020	15
2021	46
2022	14

Funding trends in India tech

- Tech companies raise **USD 8.4 Billion** in Q1 2022, a **22%** Y-O-Y growth, across **470** funding rounds
- **Since 2010**, Tech companies in India have raised over **USD 127.9 Billion** in equity funding

BT Unicorn tracker

- India saw 10 companies joining unicorn club in Q1
- Globally, India ranks 4th(96) in overall unicorns created

Top 5 countries

Country	Value
Global	1,979
US	1,036
China	252
UK	100
India	96

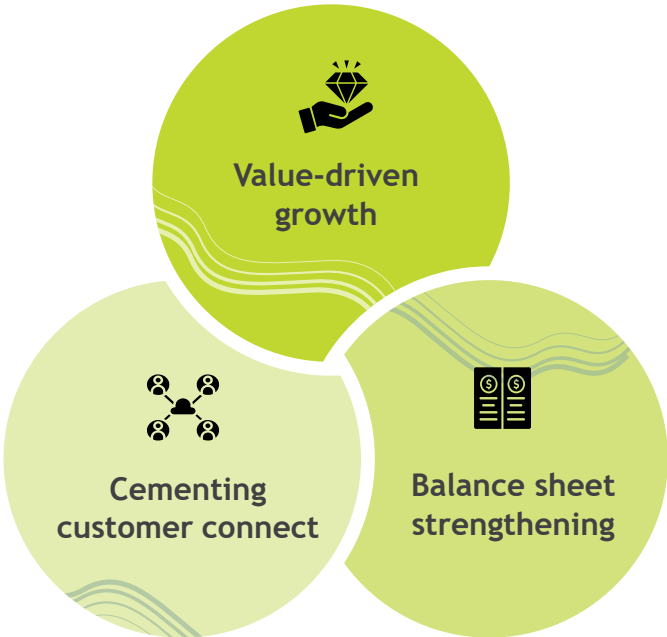🌐 Tracxn
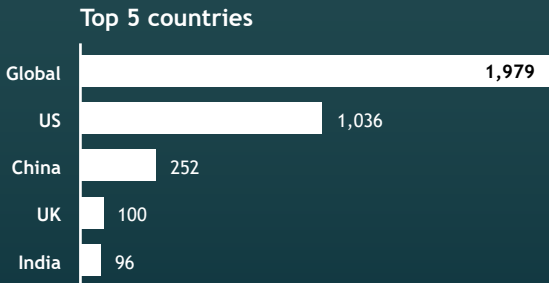
Q1 2022 minted 10 Unicorns

Strategic blueprint

Sify's mission 'Next'

As a future-focused organization, Sify continues to enhance its ability to think ahead and see future opportunities. To harness prospects, it has put in place a clearly-defined strategic blueprint. The blueprint is crafted to help the Company sustain profitable growth in the coming years. It is concurrently aimed at reinforcing the organizational foundations to enable Sify to stay at the forefront of the digital evolution that is transforming the world.

Key pillars of Sify's strategic blueprint

Value-driven growth

Cementing customer connect

Balance sheet strengthening

Strategy 1
Cementing customer connect

Relevance

Sify's business is in the service sector, so it is important to have strong customer connections to attract more business and help resolving service issues amicably.

Focus areas

- Strengthening service delivery platforms

- Tapping new customers in existing sectors

- Entering new-age sectors

Initiatives FY 2022

- Upgraded the core backbone of a 100G to deliver high-density services to the Company's enterprise customers.

- Completed the automation of service assurance, asset management and service provisioning across the network as part of the Digital Experience Project – this will significantly enhance customer experience on a sustainable basis.

Initiatives FY 2023

- Continued to invest in Data Center and Cloud services, as well as Digital and Network services, which are important building blocks to enable customers' business priorities

- Evolving from its mandate of accelerating its clients' transformation goals, Sify now uses its Cloud-focused digital initiatives to create new business processes, customer experiences and greater cost-effectiveness for customers.

Strategy 2
Value-driven growth

Relevance

Sify operates in a highly dynamic business space, requiring continuous upgradation and improvement of products and solutions to meet evolving customer needs by improving technologies, and advanced delivery platforms.

Focus areas

- Continuously widen the product basket to encompass customer-relevant solutions
- Embrace new technologies to develop new-age solutions
- Strengthen customer relations

Initiatives FY 2022

- Increased the number of long-term contracts
- Invested in start-ups that promise to provide access to innovative technologies
- Continue to augment DC capacity and Network reach
- Signed an agreement to land a new submarine cable at the Open Cable Landing Station

Initiatives FY 2023

- Invested 2 Million in startups to promote innovative technologies
- Scaled up investments in fiber networks in select metro cities and people for the Company's digital services business
- Further expanded DC capacity and Network reach – the network connectivity service has now deployed 5900t SDWAN service points across the country

Strategy 3
Balance sheet strengthening

Relevance

The business space in which Sify operates is in the spotlight due to the massive digitalization taking place around the world. The continuously evolving technology solutions in this space also make it imperative to make sustained investments and remain competitive.

Focus areas

- Enhance free cash flow generation
- Reduce debt

Initiatives FY 2022

- Cash flow from business operations stood at INR 83,382 Lakh – an increase of 271% over the previous year
- Repaid long-term debt cumulating INR 27,051 Lakh
- Invested INR 62,291 Lakh in capacity-augmenting initiatives

Initiatives FY 2023

- Funding for Data and projects
- Reduction in cost of capital
- Exploring alternate modes of financing

Risk management

Securing the business to make it future-ready

Cognizant of the importance of timely and effective management of existing and emerging risks, Sify has put in place a well-defined risk management strategy and framework. These help in identifying and evaluating the business risks and opportunities, both in the short and long term. They have been framed to address the risks in a manner that the interests of the shareholders and other stakeholders are protected. They are designed to equip the Company to maintain the momentum of its sustainable growth and value-creation journey.

The Company continues to make sustained efforts to ensure that the business risks are identified promptly, and a mitigation action plan is evaluated and monitored periodically to address the risks accordingly.

Business-wise risks and mitigation measures

■ **Impact**   ■ **Mitigation plan**

Data Center

Delivery

Customers onboarded must get delivery within a defined time frame.

▬   ▬

Most of the project's implementation is going as per timeline – there are some impacts due to lead time on racks, biometrics, and cabling delivery

Giving confidence to the customer for faster migration and ensuring stringent back-to-back delivery process with vendors

Competition

Multiple new DC facilities are coming up in Navi Mumbai from competitors.

▬   ▬

- Sify Airoli has limited space and power availability, which can impact business going forward.

- The shortage of availability of DC capacity in Bangalore and Chennai has given an advantage to competitors as they have the required space and power available with them.

We are in constant touch with customers to use DC facilities that are coming up in Noida, Chennai, and Navi Mumbai

Capacity

We have built capacity based on expected customer requirements. The inventory needs to be sold as soon as possible.

If not, our return on assets will be low. Also, it is important to onboard customers to suit the designed power capacity; otherwise, we will have very low-capacity utilization.

We have seen a better fill factor for DCs. We are executing an effective go-to-market strategy for the larger capacity coming up in Chennai and Noida in the coming financial year.

Supply chain

The time taken for placing a PR and PO after the receipt of a customer order is very high.

Delay in supply of materials

We are streamlining the process for better efficiency

Network

Delivery

Delivery lead times getting extended for all hardware. A significant increase in lead times for delivery has been noticed since January, 2022 of 40-50 weeks.

- Revenue realization and project lead times are high – extending from 2 months to 6 months now.

- The lead time for large projects involving an upgrade has increased 3 to 4 times.

A forward planning process is in place, and it will take one quarter to create a buffer stock. Vendor diversification with Nokia and other Tier 2 vendors will aid in tiding over the crisis. A significant shift of large orders to Nokia was completed. However, OB to revenue conversion will still take over 6 months.

Supply chain

The existing network in Mumbai and collector/access can be impacted due to restrictions on Chinese imports.

The risk associated with Huawei is due to geopolitical issues. DOT is likely to ban further imports.

A parallel network in Mumbai between key sites has been made available. Slow migration is now possible and any exposure to Huawei can be mitigated both financially and technically. Collector and access impact continue.

Customer churn

Revenue erosion due to customer churn increases from budgeted numbers.

Global alignments and price drops have contributed to customer churn

Improvement in service assurance and effective management by BRM teams has reduced the churn has been reduced to a great extent

Bandwidth growth

More customers will consume rich media as entry costs falls

Significant scale in bandwidth requirements from customers and possible threat from 5G

- Fiber networks deployed in Tier 1 cities can support the requirements. Tier 2 cities are being covered with fiber.

- Proactive conversion of key customer links to fiber will reduce any impact of 5G.

Market

Supply might outplace demand or new entrants might build their own facilities.

With new players entering the enterprise segment, we may witness price pressure, which may erode the profit earned by the business

- We are building stickiness with the customers through product enhancements.

- At the same time, we are also revisiting our cost structure to allow us to compete on better commercial terms.

Supplier

With the overall consolidation in the sector, the supplier base available to Sify for backbone procurement is shrinking.

The lack of choice may impact costs and service

- We are developing an alternate supplier base and building our own network.

- In this regard, we have started to deploy
  Microwave technologies from Nokia to augment backhaul capabilities.

- We have completed the Mumbai-Pune backbone, which is a step towards building our own network.

Digital Services

Supply chain

- There is an ongoing industry-wide component crunch and semiconductor crisis.

- The Russia-Ukraine war is impacting order fulfilment, and many OEM production facilities are still operating with reduced capacity.

OEM deliveries are queued at the plant level, and there is a slight delay at custom entry points in India, resulting in an overall delivery delay to customer endpoints. Many OEMs have altered their delivery prediction to 5-7 months. The situation has slightly improved and is expected to improve further only by Q2 FY2024 and beyond.

We are constantly working with OEM to align/shift production and shipping from less-impacted locations in order to minimize delays for critical projects. At the executive level, there is a close follow-up and push towards OEM to accelerate delivery for each project. With this, we could salvage some projects in Q4. All revised delivery schedules are shared with customers, and in certain situations, we even propose alternate OEM products with better delivery timelines The team is working with the customer on stage-wise completion with staggered delivery of required and available material of the relevant deliverable, supplemented occasionally by rental equipment to make the infra-LIVE.

Operational and technology risk

There is a risk that the scope of the project will not be well understood by the I&C team, causing the project to be delayed and Sify's reputation to be damaged.

This may initially result in incorrect sizing of project resources (BOM/BOQ), which may result in cost increases and subsequent attempts to find competent resources to finish the project and fulfil client objectives

- As a discipline, all teams (BU, BD, Solution, Delivery, PMO) are participating during the bidding stage of large and complex projects to validate the scope of deliverables.

- During bid submission, the solution, delivery, commercial, PMO, HR, and finance teams conduct a detailed review to verify that all teams are in sync and have joint ownership of end-to-end delivery, sign-off, billing, revenue, and payment collection. A Day-0 call is proposed for all WIN cases, led by sales, bid management, business development, and solutions team, to present the scope/deliverables, project plan, approach, and implementation blueprint and showcase delivery ownership between internal/external teams.

Financial risk

The business is highly working capital-intensive. Large-value projects have a longer implementation phase, necessitating a longer ROI gestation period on projects.

If sufficient cash flow management is not practiced, the organization may have difficulty in managing TIS's working capital requirements

Based on management expectations, we have established a bid qualifying criteria. Furthermore, as a BU, we are negotiating long-term payment/credit arrangements with vendors, which aids in cash flow management. All major projects are assessed on a regular basis by the senior management team in terms of working capital and cashflow health. It is also recommended that the finance team with the support of the commercial team analyze vendor payment outstanding (A/P) in order to get favorable credit terms from vendors.

Strategic business risk

Our growing engagement with government and public sector customers may expose us to the risk of delayed payment collection.

Government bids are subject to bank guarantees, and any shortage in services may result in a large cash loss

- The emphasis is now solely on corporate, BFSI, and select PSU and government projects. All large projects are closely monitored to ensure that the milestones for each step of delivery are met on schedule, to achieve positive cash flow and revenue recognition.

- Bids that do not meet the management directives are not entertained or accepted.

Skill talent

Our projects require a great deal of outsourced work at various phases of the project, which if not handled effectively, will result in project delays and loss of reputation and income.
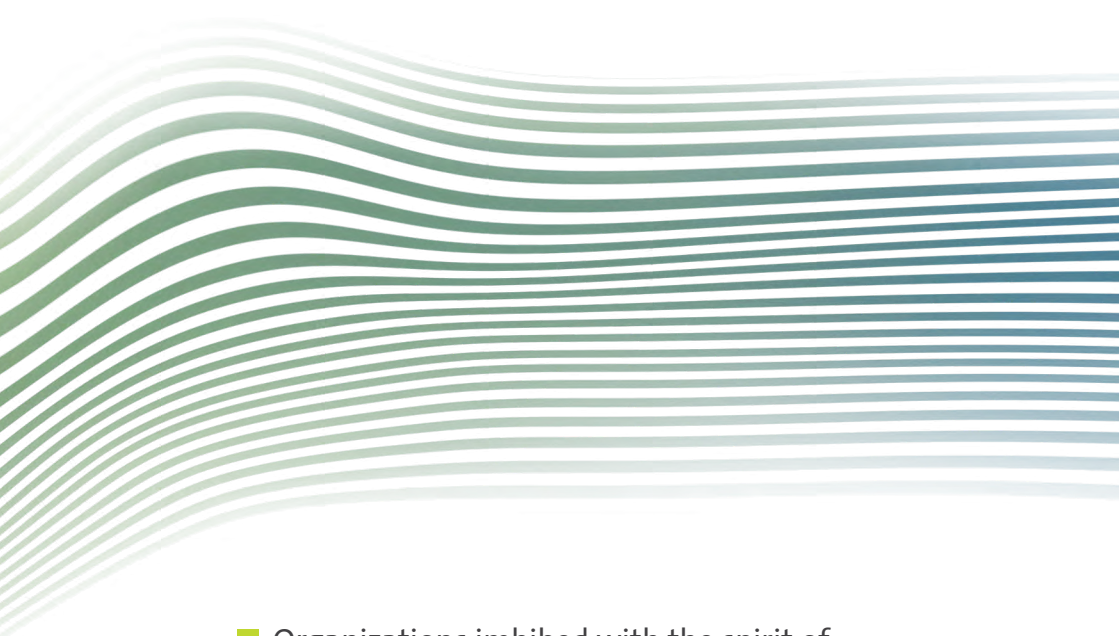
Lack of skilled resources will result in quality and delivery issues.

- We are encouraging an in-house resource pool for all implementations, and we are insisting on the service delivery function to lower its dependency on the partner eco-system for implementation to reduce cash flow and revenue leakage. Internal teams are also urged to attend OEM-provided courses to acquire the necessary technical competencies for deployment.

- However, due to the limited resource pool and unavailability of internal resources during implementation (for various reasons like multiple project engagements), this risk is still present.

Leading the journey of **disruption with integrity**

UN SDGs impacted

■ Organizations imbibed with the spirit of transparency, integrity, accountability and honesty are empowered to succeed, even in a continuously evolving and competitive business ecosystem. They are equipped to seize tomorrow's opportunities, today and stay ahead of the curve.

Sify's leadership, supported by its strong governance philosophy, is aligned with this belief. The Company's Board and Management Team are focused on building a responsible business, where stakeholder relationships can flourish in the spirit of collective trust to steer the Company's journey of disruptive innovation and sustainable growth.

Governance

Nurturing trust by promoting ethical and fair business practices

As a responsible corporate, Sify has committed itself to upholding the highest standards of corporate governance. It has put in place a well-structured and robust governance framework designed to drive inclusive growth.

At the heart of Sify's corporate governance model is its unwavering adherence to the most ethical business practices. The Company strives to go beyond the required standards and regulatory compliances for the creation of sustainable value for its stakeholders. Its people are aligned with the organization's governance ethos and follow the values of business transparency and integrity.

Areas of focus

Sify continues to invest in strengthening its focus on high-priority areas:

Ethics and Integrity

Human rights

Compliance with government regulations

② ③ ④ ⑤ ⑥ ⑦

Pillars of Sify's corporate governance framework

In pursuance of Sify's ethics-led business philosophy, it has pillared its corporate governance framework on the tenets of:
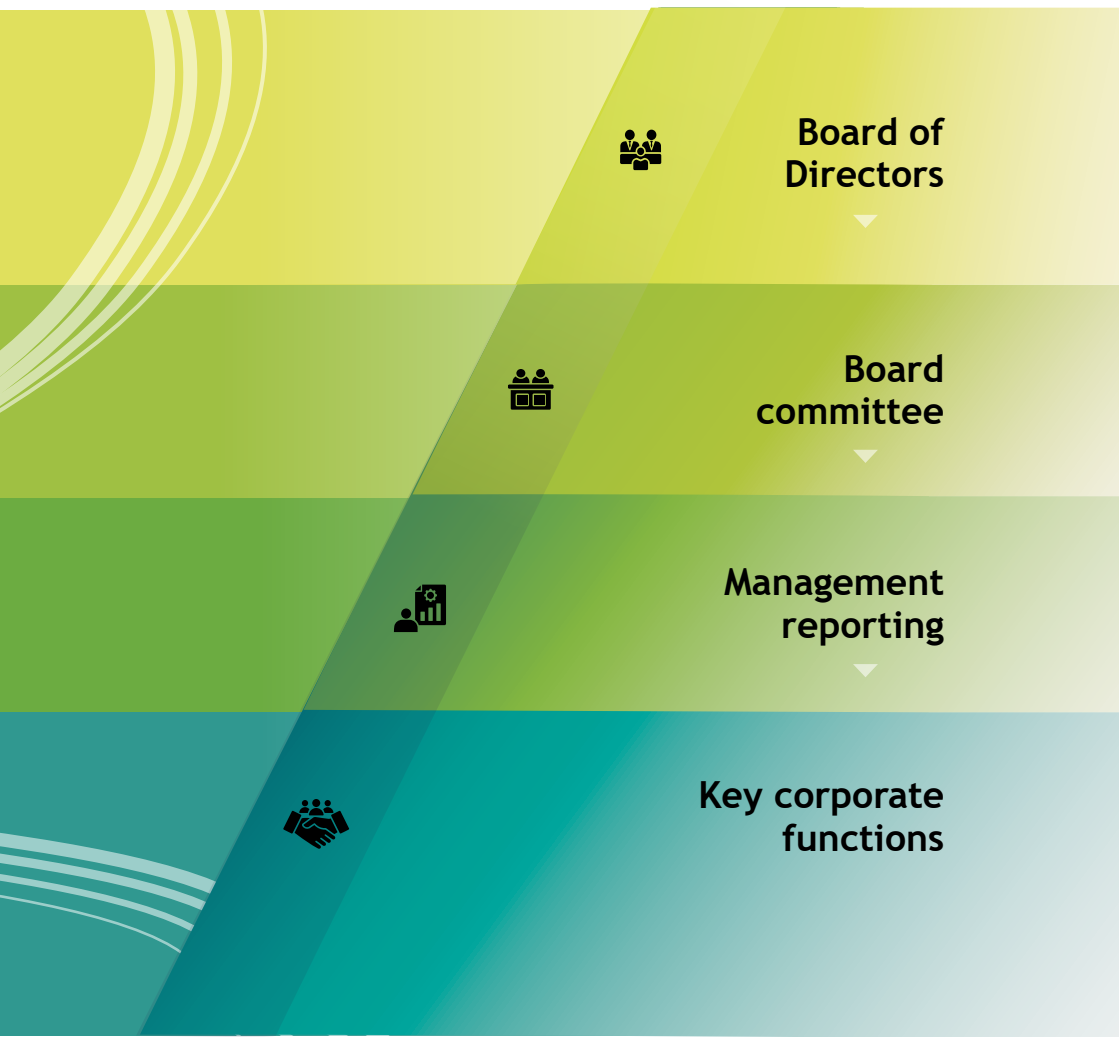
Integrity ➤ **Transparency** ➤ **Openness**

Sify is continually working on strengthening these pillars to drive sustainable growth in the medium and long term.

Responsible oversight

Sify's Board, Committees, and Executive Leadership play a vital role in ensuring oversight of its corporate governance framework and in the stringent implementation of transparent business practices. The Company's leadership ensures strict monitoring of its policies, initiatives, risks, and sustainability matters.

Through active involvement in the functioning of Sify's business, the Board of Directors ensures strong compliance with its corporate governance ethos, which is intricately linked with the United Nations Sustainability Development Goals (SDGs).

A framework rooted in openness & honesty

Board of Directors

Board committee

Management reporting

Key corporate functions

Balanced Board of Executive and Non-Executive, Independent Directors with diverse range of expertize and experience

Provides strategic direction and evaluates overall performance

Nomination and compensation

Corporate social responsibility

Audit

Operation functions below the executive committee

Executive Committee

Technology & technical support

Product & content development

Business process & customer care

Risk

Sales & business

Human resource

Finance

Legal

Policies promoting ethical business standards

Sify has clearly defined policies to ensure compliance with its corporate governance framework and philosophy. The Company works proactively to embed the organization, its people, partners, and other stakeholders with the ethos of an ethical and transparent business across all functions.

Business ethics and code of conduct

- These are institutionalized frameworks that are adhered to by the entire team and stakeholders of the Company.
- They guide the behavior of the team and encourage them to promote honest and ethical conduct.
- They help the team ensure ethical handling of any conflicts of interest, and complete and timely disclosures, among others.

Human rights policy

- This is aligned with the UN's Guiding Principles on Business and Human Rights.
- It includes strict prohibition of child or forced labour, either directly or through contract labour.
- The Business Ethics and Code of Conduct also lay down the mandate to protect the fundamental rights of all employees (direct and indirect), communities and the Company's immediate supply chain.

Investor/shareholder transparency policy

- All investors are kept abreast of all information without any bias.
- Periodic meetings with investors have helped keep a personal touch while catering to larger business demand.
- No announcement, that is perceived as having material benefit, is permitted during a blackout period.
- No selective engagement is done with any investor.

Stakeholder grievance mechanism

- The structured grievance redressal mechanism covers all immediate stakeholders and is aimed at fostering responsible behavior among them.
- The Company encourages its stakeholders to freely share their concerns and grievances through this mechanism.

Anti-corruption policy

- Sify prohibits bribes, kickbacks, improper business expenses, and any other illegal payments from being offered or accepted in any way related to the Company's business. All transactions related to Sify's business must be recorded completely and accurately in the Company's books and records.

- The anti-corruption policy prohibits bribery in any form and in any transaction the Company or its representative deal with, which includes suppliers, agents, distributors, agents, consultants, etc.

- Corruption is a serious criminal offence in countries in which the Company operates, including India (The Prevention of Corruption Act, 1988), the United Kingdom (UK Bribery Act, 2010), the United States of America (Foreign Corrupt Practices Act, 1977) and others.

Whistle-blower policy

- This provides necessary safeguards for protection of employees from reprisals or victimization, for whistle blowing in good faith.

- The policy is a critical means through which stakeholders can raise actual or suspected violations.

- It sets out ways through which the stakeholders can raise concerns that relate to actual or suspected violations of the Code of Ethical Business Conduct, Accounting, Internal Accounting Controls, Auditing Matters and applicable national and international laws including statutory/regulatory rules and regulations.

Aligned to global standards

Sify strictly follows global governance standards in line with the NASDAQ mandate. The Company's adherence to global standards is driven by its allegiance to the SOX Act and ethical business standards. Sify's large global client base also necessitates compliance with international standards of business ethics.

Board of Directors

Taking Sify to greater heights of success

Sify's Board of Directors steers the Company's strategic journey by leading from the front. As thought leaders with the ability to think ahead and see tomorrow's opportunities today, the Board of Directors is at the helm of Sify's broad-based growth. The Board consists of experienced and qualified individuals who are experts in different fields and have a deep understanding of India's business transformation needs. They drive the Company's efforts to surge forward towards greater excellence and value creation, for itself and its stakeholders.

Raju Vegesna

Chairman, Managing Director and
Member of the Management Team

D

- Chairman and Managing Director since 2005

- Founded SeverEngines - a leader in the network and storage convergence products space

- Chief Strategist following the acquisition by Emulex in 2010

- His entrepreneurial journey began with ServerWorks Corporation in 1994 – a leader in computer chipsets commanding a 90% market share in the x86 server chipset market

- Fresh out of college, he had co-founded Ross Technology that was responsible for the creation of the HyperSparc processor which was used by Sun Microsystems to create its first multiprocessor computer servers

- Before Ross Technology, Mr. Vegesna created the microcode for Motorola's 68030 processor and the specification for the 68040 microprocessor

- Masters in Computer Engineering from Wayne State University

- Mr. Vegesna holds several patents on microprocessor and multiprocessor technologies

- Founded the Raju Vegesna Foundation which finances programs on the availability of clean water and education for people in need

Chairperson

Member

A - Audit Committee

B - Compensation Committee

C - Nominating Committee

D - Corporate Social Responsibility Committee

E - Nomination and Remuneration Committee

M.P. Vijay Kumar

Executive Director, Group CFO and
Member of the Management Team

- Took over as Sify's Executive Director and Group CFO in FY 2023

- Qualified and experienced Chartered Accountant, Cost Accountant and Company Secretary with extensive experience in finance

- Independent Director and Chairman of the Audit Committee on the Board of Life Insurance Corporation of India (LIC)

- Independent Director on the Boards of Geojit Financial Services Limited and Heritage Foods Limited

- Member of the IFRS Interpretation Committee of the International Accounting Standards Board and the IFRS Advisory Council of the IFRS Foundation, London

- Earlier served as a Council Member of the Institute of Chartered Accountants of India (2016-2022)

- Chairman of the Accounting Standards Board and Ex Officio Member of the National Financial Reporting Authority from 2019 to 2022

Vegesna Bala Saraswathi

Director

- Director of the Raju Vegesna Foundation

- The brains behind the social welfare activities of the Foundation in India as well as in the USA

- Her long term vision is to build an equitable society by making the best of the avenues available to the lesser fortunate.

- Specifically, her philanthrophy enables destitute women, impoverished families and geriatric care.

- Mentor of Sify's CSR Committee, she is clear that every last dollar is spent on people without means, be it for livelihood or health.

- Previously the financial controller of ServerWorks Corporation

- Board member of Infinity Capital Ventures LP (Infinity), USA

Padma Shri Dr. T.H. Chowdary

Independent Director

B   C

- Joined the Sify Board as an advisor and a mentor for new-age industries

- A Padma Shri awardee, he was the founder of the Centre for Telecommunication Management and Studies in Secunderabad

- Senior member of the IEEE, New York

- Fellow of the Institution of Engineers in India

- Distinguished fellow of the Institute of Electronics & Telecom Engineers in India

- Past president of IETE in India

- Served as the Chairman of Bharatiya Vidya Bhavan (Indian Institute of Culture) in Hyderabad, from 1989 to 1993

- Founded and mentored eight public schools in Andhra Pradesh and Karnataka

- Previously been a member of the governing body of the University College of Engineering, Osmania University, and the governing board of the American Studies Research Centre (ASRC), Hyderabad

- An active philanthropist and community leader, Dr. Chowdhary currently also chairs Pragna Bharati, an association of national intellectuals that publishes articles on different topics in Telugu newspapers

	Chairperson	**A -** Audit Committee	**D -** Corporate Social Responsibility Committee
	Member	**B -** Compensation Committee	**E -** Nomination and Remuneration Committee
		C - Nominating Committee	

C.B. Mouli

Independent Director

A B C E

- Expert in taxation and corporate law
- Chairman of the Audit Committee for Sify besides serving as a director for the Company
- A qualified lawyer and a member of the Institute of Chartered Accountants of India
- Partner at Chartered Accountancy firm - C.B. Mouli & Associates
- Director on the board of Ammana Bio Pharma Limited and Ammana Equity Fund Private Limited

C.E.S. Azariah

Independent Director

A B C D E

- Expert with extensive knowledge in banking and rose through the ranks of the State Bank of India and retired as a Chief General Manager
- Post-retirement, he joined the Fixed Income, Money Markets & Derivatives Association of India (FIMMDA) as its Chief Executive
- Mr. Azariah set up the Corporate Bond Trade Reporting Platform and drafted FIMMDA's Code of Conduct which has been mandatory by all market participants

Arun Seth

Independent Director

Ⓐ

- An alumni of IIT-IIM with a sterling career in the Indian telecom sector

- Was the founding Managing Director of British Telecom in India in 1995 and helped it acquire a 45% stake in Airtel

- Helped steer British Telecom's transaction, first to Mahindra BT and eventually to Tech Mahindra

- Served in the executive council of the Indian IT lobby for over 10 years while working at British Telecom and Alcatel

- Has been a founding charter member of TiE Delhi and the Indian Angel Network

- Currently advises/mentors several technology start-ups in India and the US

- An active evangelist of the software product ecosystem, co-chairs the Nasscom Product Conclave and the Nasscom Product Council

- Chairs the Nasscom Foundation, which drives CSR initiatives across the IT industry

- Served on the board of governors for IIM Lucknow and IIIT Delhi and has been an advisory board member of TERI and a governing member of the TERI University Board

■ Chairperson   **A -** Audit Committee   **D -** Corporate Social Responsibility Committee
● Member   **B -** Compensation Committee   **E -** Nomination and Remuneration Committee
                 C - Nominating Committee

Management team

Driving Sify's vision of digital transformation

Sify's Management Team possesses vast domain knowledge and expertise to run the business successfully. They embody Sify's high-performance culture, uphold the Company's corporate values, and implement the vision of the board according to the Sify Way. They support the Board with a strong commitment, exemplifying steadfast dedication and consistently creating long-term value for all stakeholders.

Kamal Nath

Chief Executive Officer

- Joined as CEO of SIFY in 2012 and transitioned the Company into India's most comprehensive ICT solutions and services provider

- Kamal Nath is credited with leading Sify's transformation into a major player in the digital space that helps enterprises achieve their digital ambitions through Sify's digital@core services

- As CEO, he has overseen the development of Sify's world-class data centers, cloud and network assets, and wide portfolio of professional and digital services

- Under his leadership, the Company now provides enhanced digital services and SaaS under the subsidiaries, Cloudinfinit and Infinitdigital Services

- Before Sify, Kamal Nath had a 17-year tenure at HCL Technologies, with his last assignment as Country Sales & Business Head leading various transformational engagements with large enterprises, incubating new business services, creating innovative business models, and developing new and high-growth vertical customer segments

David Nishball

Chief Strategy Officer

- A market veteran in building and managing enterprise-scale telecommunication operations with 18 years of experience in the Asia Pacific

- Brings over 28 years of experience to Sify, spanning various roles and functions in the telecommunications industry, and successfully led the enterprise segment for several global operators, joint venture companies, and emerging market operators

- From 2007-2010, David Nishball was the President of Airtel Enterprise Services, a business unit of Bharti Airtel Ltd. - India's leading telecom service provider

- Before Airtel, he was Senior Vice President, Asia Pacific for Orange Business Services (formerly Equant), based in Singapore. He managed Orange's business operations in Japan, Korea, Greater China, India, and Australasia

- From 1982 to 2002, he held strategic positions with AT&T and its related companies, playing a key role in supporting and managing several of their global ventures. He served as their Regional Head of Concert Asia Pacific, a joint venture between BT and AT&T, leading the global accounts sales, carrier services, and distribution organizations

- Founding officer of WorldPartners Company, a global telecommunications services venture between AT&T, KDD Japan, Singapore Telecom, and Unisource. He served as its Vice President of Marketing

- Holds a Master of Business Administration degree from the University of California, Berkeley, Haas School of Business, and a Bachelor of Arts degree in Economics with an Engineering emphasis, also from U.C. Berkeley
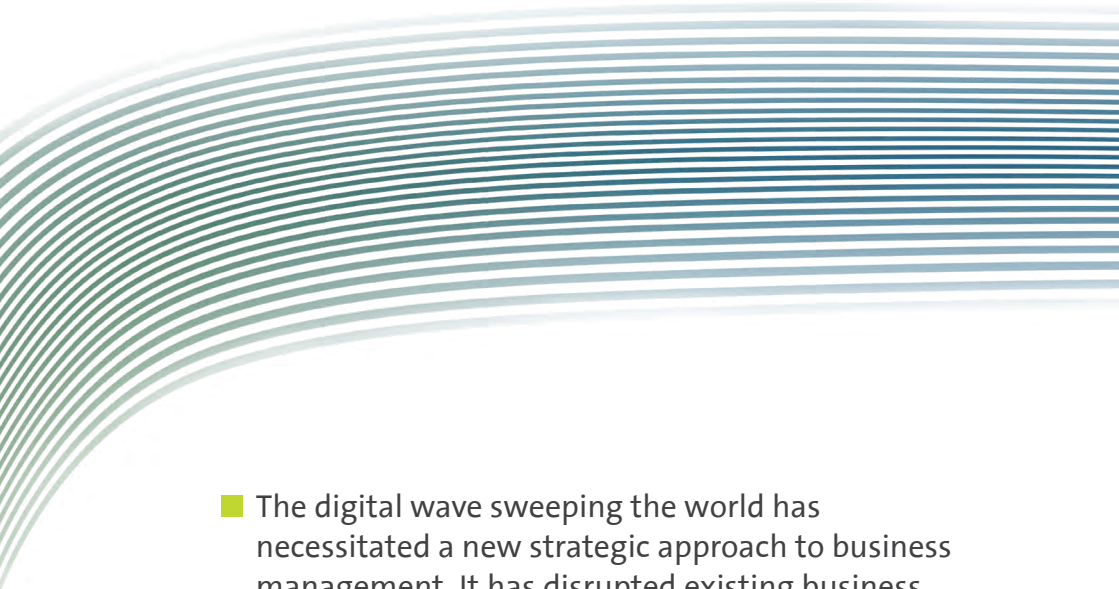
C.R. Rao

Chief Operating Officer

- A seasoned operations leader, who began as Head of Human Resources and rose through the ranks of Sify to become its Chief Operating Officer (COO) due to his acumen as a trained lawyer and networking skills

- He caters to the needs and sensitivities of both, the bureaucracy and clients, helping in the timely delivery of Data Centers across diverse customers in multiple geographies

- He has been responsible for scaling up both the bench and active resources in line with the demands of multiple contracts while being instrumental in the cross-functional engagement of resources across projects

- As a keen technology follower and adopter, C.R. Rao has spearheaded the implementation of automation across internal processes, resulting in a significant uptick in ROI per employee

- Previously held management roles in Delta Tubes Pvt Ltd, Bobba Aviation Services – GSA Lufthansa Cargo engagement

- He holds graduate degrees in Law, Commerce, and Business Administration from Osmania University

Ready for the '**Next**'

■ The digital wave sweeping the world has necessitated a new strategic approach to business management. It has disrupted existing business models, forcing enterprises to embrace new business strategies to remain engaged with their customers and pursue profitable growth in the mid and long term too. In this transformed scenario, enterprises are keeping their ears close to the ground to identify emerging trends and choose the right new-generation digital models and systems in line with this shift.

Conclusion

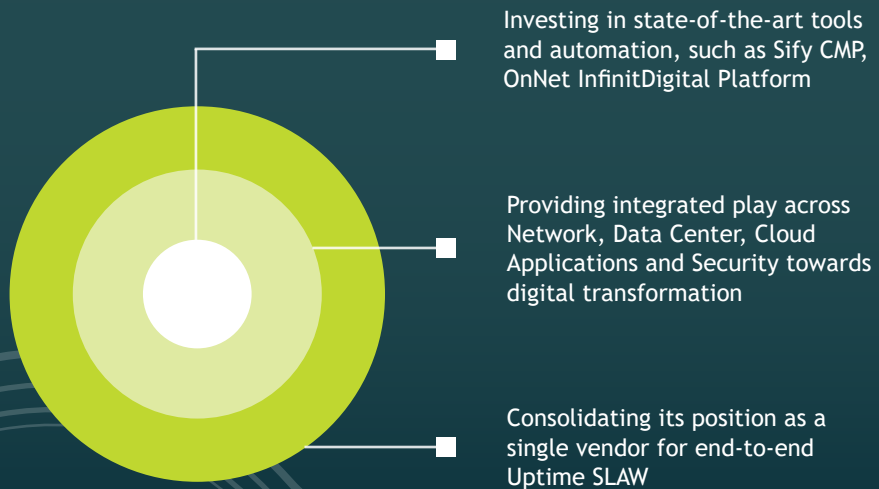# Helping businesses drive digital transformation

In this emerging eco-system, Sify has emerged as a preferred choice for organizations as they move towards adapting to the digital era. The Company helps them with the knowledge and support needed to deliver a unified customer experience by mapping a new approach to make them future-ready and prepared for long-term growth.

Sify simplifies the digital adoption process for enterprises by offering comprehensive, end-to-end solutions and services designed to drive their digital transformation that are aligned to business outcomes. It enables organizations to focus on their complex integration challenges across the technology life cycle through built-to-suit solutions. The Company ensures automation, control, and visibility through targeted and customized offerings across the digital spectrum.

Sify's Focus Areas

Data Center Colocation	Network Connectivity
Cloud and Managed Services	Digital/IT Services

② ③ ④

As more and more enterprises move towards greater digitalization, Sify shall further strengthen its efforts to ensure seamless delivery and execution of its offerings. Moving forward, the Company shall focus more proactively on:

Investing in state-of-the-art tools and automation, such as Sify CMP, OnNet InfinitDigital Platform

Providing integrated play across Network, Data Center, Cloud Applications and Security towards digital transformation

Consolidating its position as a single vendor for end-to-end Uptime SLAW

With the widening opportunity landscape, Sify will continue to lead the next level of the transformation journey of enterprises to boost efficiency, enable greater business agility, and unlock enhanced value for all stakeholders.

GRI content index

Statement of use	Sify Technologies Limited has reported the information cited in this GRI content index for the period April 1, 2022 to March 31, 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Cover, 1, 28, 29, Back Cover
	2-2 Entities included in the organization's sustainability reporting	24
	2-3 Reporting period, frequency and contact point	4
	2-5 External assurance	5
	2-6 Activities, value chain and other business relationships	30, 52, 53, 60, 61, 62, 66, 67, 68, 69, 70
	2-7 Employees	3, 76, 110, 111
	2-9 Governance structure and composition	160, 161, 164-173
	2-11 Chair of the highest governance body	165
	2-13 Delegation of responsibility for managing impacts	160, 161
	2-14 Role of the highest governance body in sustainability reporting	5
	2-23 Policy commitments	162, 163
	2-24 Embedding policy commitments	162, 163
	2-26 Mechanisms for seeking advice and raising concerns	162
	2-29 Approach to stakeholder engagement	32-35

GRI 3: Material Topics 2021	3-1 Process to determine material topics	36, 37
	3-2 List of material topics	38, 39
	3-3 Management of material topics	40-47
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	78-81
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	96, 97
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	163
GRI 301: Materials 2016	301-1 Materials used by weight or volume	2, 40, 41, 49, 76, 77, 129, 130
GRI 302: Energy 2016	302-1 Energy consumption within the organization	40, 41, 61, 76, 77
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	2, 40, 41, 48
	303-5 Water consumption	40, 41
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	40, 41
	305-4 GHG emissions intensity	48, 49
	305-5 Reduction of GHG emissions	40, 41, 48, 49
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	77, 118, 119, 120, 121
	404-2 Programs for upgrading employee skills and transition assistance programs	113, 119, 120, 121
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	34, 35, 126

UN SDG mapping

UN SDGs	Indicators	Location
3 GOOD HEALTH AND WELL-BEING	• Health and safety • Contractors' health and safety • Emergency procedure guidelines • Health and safety metrics • Health and safety policies • Implementing health & safety plans • Tenant wellness initiatives • Employee engagement initiatives • Employee well-being programs • Independent health and safety verification	42, 43, 46, 47, 115, 116
4 QUALITY EDUCATION	• Supporting educational institutions • Providing education through the Raju Vegesna Foundation • Employee education and training • Learning and development	118, 119, 121
5 GENDER EQUALITY	• Gender diversity across businesses • Practices against sexism and gender • POSH policy • Board gender split • Workforce gender split	109, 111, 116
6 CLEAN WATER AND SANITATION	• Water management • Water usage efficiency • Water consumption and conservation • Water efficiency initiatives • Making clean water available through the Raju Vegesna Foundation	2, 40, 41, 48, 130
7 AFFORDABLE AND CLEAN ENERGY	• Focus on renewable energy • Energy-efficient strategies • Smart energy meters and equipment • Investments in renewable energy • Optimization of energy consumption	2, 40, 41, 61, 129, 130,
8 DECENT WORK AND ECONOMIC GROWTH	• Fair wages, benefits, and contracts • Fair working hours • Labor management initiatives • Local employment and sourcing • Lost-time incidents • Number of differently-abled employees, part-time workers, and contractors • Youth employment initiatives • Internal promotion rate • Employee turnover rate • Rewards and recognition for employees • Protection of fundamental employee rights • Employee retention and satisfaction	3, 45, 122, 162

UN SDGs	Indicators	Location
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Green building design • Product innovation • Digital innovation • Network infrastructure • Digital infrastructure	46, 47, 104, 105,
10 REDUCED INEQUALITIES	• DEI Council • Anti-discrimination workplace • Prevention of forced, child, and bonded labor • Respecting employee rights • Inclusive workplace environment	3, 109
11 SUSTAINABLE CITIES AND COMMUNITIES	• Paper usage • Waste recycling • Supplier responsibility initiatives • Social initiatives towards community empowerment	124-127, 130
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Reduced GHG emissions • Reduced material usage • Reduced waste generation • Clean technology initiatives • Eliminating landfill waste • Maximizing product life • Circular economy initiatives • Recycling waste • Product safety and quality metrics	40, 41, 46, 47, 48, 130
13 CLIMATE ACTION	• GHG emission reduction	40, 41, 48

Glossary

2022-23

6Dof™	6 Degrees of Freedom (Virtual Reality simulation) - Sify's patent product
AI	Artificial Intelligence
AOP	Annual Operating Plan
AR	Augmented Reality
ASRC	American Studies Research Center
BFSI	Banking, Financial Services and Insurance
BIO	Business Intelligence Officer
BOM/BOQ	Bill of Materials / Bill of Quantity
BTS	Base Transceiver Station
BU	Business Unit
CAGR	Compound Annual Growth Rate
Capex	Capital expenditure
CDP	Committee for Development Policy
CISO	Chief Information Security Officer
COO	Chief Operating Officer
CSR	Corporate Social Responsibility
DC	Data Center
DCI	Data Center Interconnection
DEI	Diversity, Equality and Inclusion
DevSecOps	Development, security, and operations
DPIIT	Department for Promotion of Industry and Internal Trade
DRaaS	Disaster Recovery as a Service
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EIA	Environment Impact Assessment
ESG	Environment, Social, and Governance
FIMMDA	Fixed Income, Money Markets & Derivatives Association of India

FY	Financial Year
GBI	Gulf Bridge International
GHG	Green House Gas
GNOC	Global Network Operations Center
GRI	Global Reporting Initiative
GTM	Go-to-market
HR	Human Resource
IaaS	Infrastructure-as-a-Service
IASB	International Accounting Standards Board
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IIM	Indian Institute of Management
IIT	Indian Institute of Technology
IJP	Internal Job Posting
ILT	Instructor-led Training
IoT	Internet of Things
IT	Information Technology
ITES	Information Technology Enabled Services
ITSM	Information Technology Service Management
IVR FLT	Interactive Voice Response First-level Troubleshooting
IX	Internet Exchanges
KPI	Key Performance Indicators
L&D	Learning and Development
LMS	Learning Management System
LRS	Learning Record System
LTIFR	Lost Time Injury Frequency Rate
MENA	**Middle East North Africa**

ML	Machine Learning
MNC	Multinational Corporation
MoEF	Ministry of Environment and Forests
MPLS	Multiprotocol Label Switching
NBFC	Non-bank Financial Company
NFRA	National Financial Reporting Authority
NGO	Non-Governmental Organization
NMS	Network Management System
NOC	Network Operations Center
NVG-SEE	National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business
OEM	Original Equipment Manufacturer
OT	Operational Technology
OTT	Over-the-top
PaaS	Platform-as-a-Service
PAT	Profit after Tax
PBT	Profit before Tax
PMT	Potential Material Topic
PO	Purchase Order
POD	Power Optimized Design
PoP	Point of Presence
POSH	Prevention of Sexual Harassment
PSU	Public Sector Undertakings
R&D	Research and Development
RoCE	Return on Capital Employed
ROI	Return on Investment
SaaS	Software-as-a-Service
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SD-WAN	Software-Defined Wide Area Network
SDN	Software Defined Network

SME	Small and Medium-sized Enterprises
SOC	Security Operations Center
TAT	Turnaround Time
TERI	The Energy and Resources Institute
TIS	Technology Integration Services
TRIR	Total Recordable Injury Rate
TTA	Transport-triggered architecture
TTP	Time-Triggered Protocol
UN SDGs	United Nations Sustainable Development Goals
UNGC	United Nations Global Compact
VPN	Virtual Private Network
VR	Virtual Reality
WAN	Wide-area Network
XR	Extended Reality

sify

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