

SIFY TECHNOLOGIES LTD
Form 6-K
October 23, 2014

United States Securities and Exchange Commission

Washington, DC 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of the Securities Exchange Act of 1934

For the half-year ended September 30, 2014

Commission File Number 000-27663

SIFY TECHNOLOGIES LIMITED

(Translation of registrant's name into English)

Tidel Park, Second Floor

No. 4, Rajiv Gandhi Salai, Taramani

Chennai 600 113, India

(91) 44-2254-0770

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20F Form 40 F

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (1). Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (7). Yes No

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SIFY TECHNOLOGIES LIMITED

FORM 6-K

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Currency of Presentation and Certain Defined Terms

Unless the context otherwise requires, references in this report to “we,” “us,” the “Company,” “Sify” or “Satyam Infoway” are Sify Technologies Limited, a limited liability Company organized under the laws of the Republic of India. References to “U.S.” or the “United States” are to the United States of America, its territories and its possessions. References to “India” are to the Republic of India. In January 2003, we changed the name of our Company from Satyam Infoway Limited to Sify Limited. In October 2007, we again changed our name from Sify Limited to Sify Technologies Limited. “Sify”, “SifyMax.in,” “Sify e-ports” and “Sify online” are trademarks used by us for which we have already obtained registration certificates in India. All other trademarks or trade names used in this report are the property of their respective owners. In this Report, references to “\$,” “Dollars” or “U.S. dollars” are to the legal currency of the United States, and references to “₹”, “₹”, “₹”, “rupees” or “Indian rupees” are to the legal currency of India . References to a particular “fiscal” year are to our fiscal year ended March 31 of such year.

For your convenience, this Report contains translations of some Indian rupee amounts into U.S. dollars which should not be construed as a representation that those Indian rupee or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Indian rupees, as the case may be, at any particular rate, the rate stated below, or at all. Except as otherwise stated in this Report, all translations from Indian rupees to U.S. dollars contained in this Report have been based on the reference rate in the City of Mumbai on September 30, 2014 for cable transfers in Indian rupees as published by the Reserve Bank of India (RBI), which was ₹61.61 per \$1.00.

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

Information contained in our websites, including our corporate website, www.sifycorp.com, is not part of our Annual Report for the year ended March 31, 2014 or this Report.

Forward-looking Statements

In addition to historical information, this Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended. The forward-looking statements contained herein are subject to risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. For a discussion of some of the risks and important factors that could affect the Company’s future results and financial condition, please see the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our Annual Report on Form 20-F for the fiscal year ended March 31, 2014, filed with the Securities and Exchange

Commission (the "SEC") on July 18, 2014.

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

- our expectations as to future revenue, margins, expenses and capital requirements;
- our exposure to market risks, including the effect of foreign currency exchange rates and interest rates on our financial results;
- the effect of the international economic slowdown on our business;
- our ability to generate and manage growth and to manage our international operations;
- projections that our cash and cash equivalents, along with cash generated from operations will be sufficient to meet certain of our obligations; and
- the effect of future tax laws on our business.

You are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date of this Report. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In addition, you should carefully review the other information in this Report, our other periodic reports and other documents filed with the SEC from time to time. Our filings with the SEC are available on its website at www.sec.gov.

Sify Technologies Limited**Unaudited Condensed Consolidated Interim Statement of Financial Position**

(In thousands of Rupees, except share data and as otherwise stated)

	Note	As at September 30, 2014	As at September 30, March 31, 2014 *	As at September 30, 2014 Convenience translation into US\$
ASSETS				
Property, plant and equipment	4	6,077,817	5,603,130	98,644
Intangible assets	5	581,858	559,436	9,444
Lease prepayments	7	828,451	835,635	13,446
Other assets		763,842	603,940	12,397
Other investments		1,710	1,710	28
Total non-current assets		8,253,678	7,603,851	133,959
Inventories		256,334	200,829	4,160
Trade and other receivables, net	8	5,912,704	4,875,533	95,964
Prepayments for current assets		180,386	164,023	2,928
Restricted cash	6	213,285	210,223	3,462
Cash and cash equivalents	6	1,291,322	1,059,904	20,958
Total current assets		7,854,031	6,510,512	127,472
Total assets		16,107,709	14,114,363	261,431
EQUITY AND LIABILITIES				
Equity				
Share capital		1,423,125	1,423,125	23,098
Share premium		18,474,481	18,474,481	299,845
Share based payment reserve		224,027	224,196	3,636
Other components of equity		46,349	54,070	752
Accumulated deficit		(13,176,732)	(13,220,219)	(213,861)
Equity attributable to equity holders of the Company		6,991,250	6,955,653	113,470

Sify Technologies Limited**Unaudited Condensed Consolidated Interim Statement of Financial Position**

(In thousands of Rupees, except share data and as otherwise stated)

	Note	As at September 30, 2014	March 31, 2014*	As at September 30, 2014 Convenience translation into US\$
Liabilities				
Finance lease obligations, other than current instalments		857,596	701,164	13,919
Borrowings		754,537	586,558	12,246
Employee benefits	9	54,294	38,635	881
Other liabilities		502,483	432,051	8,155
Total non-current liabilities		2,168,910	1,758,408	35,201
Finance lease obligations current instalments		507,466	352,688	8,236
Borrowings		1,261,066	846,511	20,467
Bank overdraft		582,323	637,347	9,451
Trade and other payables		3,732,560	2,895,978	60,581
Deferred income		864,134	667,778	14,025
Total current liabilities		6,947,549	5,400,302	112,760
Total liabilities		9,116,459	7,158,710	147,961
Total equity and liabilities		16,107,709	14,114,363	261,431

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements

¹Derived from the audited consolidated financial statements

Sify Technologies Limited**Unaudited Condensed Consolidated Interim Statement of Income**

(In thousands of Rupees, except share data and as otherwise stated)

	Note	Quarter ended September 30,		Quarter ended September 30, 2014	Half year ended September 30,		Half year ended September 30, 2014
		2014	2013	Convenience translation into US\$	2014	2013	Convenience translation into US\$
Revenue	10	3,160,213	2,504,834	51,291	6,122,984	5,133,208	99,377
Cost of goods sold and services rendered	11	(1,983,470)	(1,389,057)	(32,192)	(3,708,477)	(2,935,481)	(60,189)
Other income		32,405	8,745	526	40,133	21,127	651
Selling, general and administrative expense	12	(712,862)	(692,475)	(11,570)	(1,469,340)	(1,309,159)	(23,848)
Depreciation and amortization	4&5	(291,715)	(250,892)	(4,735)	(565,170)	(511,781)	(9,173)
Profit from operating activities		204,571	181,155	3,320	420,130	397,914	6,818
Finance income	13	17,466	25,198	283	30,456	36,519	494
Finance expenses	13	(131,999)	(99,730)	(2,142)	(247,178)	(164,547)	(4,011)
Net finance expense		(114,533)	(74,532)	(1,859)	(216,722)	(128,028)	3,517
Profit for the period		90,038	106,623	1,461	203,408	269,886	3,301
Profit per share							
Basic earnings per share		0.64	0.80	.01	1.44	2.01	.02
Diluted earnings per share		0.64	0.80	.01	1.44	2.01	.02

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements

Note: Previous year numbers have been regrouped in line with the audited financials filed through Form 20 – F for the year ending March 31,2014

Sify Technologies Limited**Unaudited Condensed Consolidated Interim Statement of Comprehensive Income**

(In thousands of Rupees, except share data and as otherwise stated)

		Quarter ended September 30		Quarter ended September 30, 2014 Convenience translation into US\$	Half year ended September 30, 2014		Half year ended September 30, 2014 Convenience translation into US\$
	Note	2014	2013		2014	2013	
Profit for the period		90,038	106,623	1,461	203,408	269,886	3,301
Other comprehensive income/(loss) Items that will not be reclassified to profit or loss							
Remeasurement of defined benefit plans	9	(512)	13,057	(8)	(7,721)	11,448	(125)
Items that will be reclassified to profit or loss							
Foreign currency translation differences of foreign operations		(168)	*	(3)	(169)	1,047	(3)
Other comprehensive income/(loss) for the period		(680)	13,057	(11)	(7,890)	12,495	(128)
Total comprehensive income for the period		88,358	119,884	1,450	195,518	282,381	3,173

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements

Sify Technologies Limited**Unaudited Condensed Consolidated Interim Statement of Changes in Equity**

(In thousands of Rupees, except share data and as otherwise stated)

For six months ended September 30, 2014

Particulars	Share capital	Share premium	Share based payment reserve	Other components of equity	Accumulated deficit	Total Equity
Balance at April 1, 2014	1,423,125	18,474,481	224,196	54,070	(13,220,219)	6,955,653
Total comprehensive income/ (loss) for the period	-	-	(169)	(7,721)	203,408	195,518
Transactions with owners, recorded directly in equity						
Dividends paid (including Corporate Dividend Tax)						