

SIFY TECHNOLOGIES LTD  
Form 6-K  
November 13, 2017

**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, 2017**

**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)

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

Form 40-F

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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**FORM 6-K**

**For the half-year ended September 30, 2017**

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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 “Rs.,” “₹,” “rupees” or “Indian rupees” are to the legal currency of India. References to a particular “fiscal” year are to our fiscal year ended March 31 of such year.

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, 2017 for cable transfers in Indian rupees as published by the Reserve Bank of India (RBI), which was 65.36 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.sifytechnologies.com](http://www.sifytechnologies.com), is not part of our Annual Report for the year ended March 31, 2017 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, 2017, filed with the Securities and Exchange Commission (the "SEC") on June 16, 2017.

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](http://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)

		As at <b>September 30, 2017</b>	March 31, 2017 *	As at September 30, 2017  Convenience translation into US\$ (In thousands)
	Note	<b>2017</b>		
<b>ASSETS</b>				
Property, plant and equipment	4	6,563,699	6,622,081	100,424
Intangible assets	5	556,159	559,102	8,509
Lease prepayments	7	1,236,444	1,017,623	18,917
Other assets		1,172,248	1,121,872	17,935
Other investments		99,743	74,653	1,526
Total non-current assets		9,628,293	9,395,331	147,311
Inventories		1,111,077	1,181,987	16,999
Trade and other receivables, net	8	9,050,519	8,781,692	138,472
Prepayments for current assets		294,922	290,779	4,512
Restricted cash	6	291,591	262,907	4,461
Cash and cash equivalents	6	2,097,895	1,621,358	32,098
Total current assets		12,846,004	12,138,723	196,542
Total assets		22,474,297	21,534,054	343,853
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		1,516,875	1,516,875	23,208
Share premium		18,680,731	18,680,731	285,813
Share based payment reserve		311,368	305,539	4,764
Other components of equity		32,644	26,798	499
Accumulated deficit		(12,097,451)	(12,265,524)	(185,090 )
Equity attributable to equity holders of the Company		8,444,167	8,264,419	129,194

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

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

	As at		As at
	September 30,	March 31,	September 30,
Note	2017	2017*	2017
	Rs.	Rs.	Convenience translation into US\$  (In thousands)
<b>Liabilities</b>			
Finance lease obligations, other than current instalments	142,552	185,736	2,181
Borrowings	1,588,342	881,834	24,301
Employee benefits	9 134,708	127,298	2,061
Other liabilities	739,524	636,566	11,315
Total non-current liabilities	2,605,126	1,831,434	39,858
<b>Finance lease obligations current instalments</b>			
Borrowings	152,054	333,483	2,326
Bank overdraft	6 1,948,321	2,529,244	29,809
Trade and other payables	2,077,644	991,161	31,788
Deferred income	6,196,117	6,367,607	94,800
Total current liabilities	1,050,868	1,216,706	16,078
	11,425,004	11,438,201	174,801
Total liabilities	14,030,130	13,269,635	214,659
Total equity and liabilities	22,474,297	21,534,054	343,853

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

\*Derived 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, 2017	Half year ended September 30,		Half year ended September 30, 2017
		2017 Rs.	2016 Rs.	Convenience translation into US\$  (In thousands)	2017 Rs.	2016 Rs.	Convenience translation into US\$  (In thousands)
Revenue	10	4,839,905	4,391,862	74,050	9,395,388	8,561,820	143,748
Cost of goods sold and services rendered	11	(3,066,241)	(2,787,413)	(46,913)	(5,872,785)	(5,453,433)	(89,853)
Other income		84,500	36,327	1,293	112,413	61,691	1,720
Selling, general and administrative expense	12	(1,057,234)	(969,996)	(16,175)	(2,106,889)	(1,852,094)	(32,235)
Depreciation and amortization	4&5	(524,524)	(431,965)	(8,025)	(985,136)	(872,753)	(15,072)
Profit from operating activities		276,406	238,815	4,230	542,991	445,231	8,308
Finance income	13	43,336	16,246	663	63,754	85,405	975
Finance expenses	13	(117,110)	(98,413)	(1,792)	(229,885)	(248,963)	(3,517)
Net finance expense		(73,774)	(82,167)	(1,129)	(166,131)	(163,558)	(2,542)
Profit before tax		202,632	156,648	3,101	376,860	281,673	5,766
Income tax (expense)/ benefit		-	-	-	(90)	-	(1)
Profit for the period		202,632	156,648	3,101	376,770	281,673	5,765
Basic earnings per share	14	1.35	1.11	0.02	2.51	2.00	0.04
Diluted earnings per share	14	1.35	1.11	0.02	2.51	2.00	0.04

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

**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, 2017	Half year ended September 30		Half year ended September 30, 2017
	<b>2017</b>	<b>2016</b>	<b>Convenience translation into US\$</b>	<b>2017</b>	<b>2016</b>	<b>Convenience translation into US\$</b>
Note	<b>Rs.</b>	<b>Rs.</b>	<b>(In thousands)</b>	<b>Rs.</b>	<b>Rs.</b>	<b>(In thousands)</b>
Profit for the period	202,632	156,648	3,101	376,770	281,673	5,765
Other comprehensive income/(loss) Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit plans	9 5,403	(2,985 )	83	3,716	(3,173 )	57
Items that will be reclassified to profit or loss						
Foreign currency translation differences of foreign operations	2,533	(3,944 )	39	2,130	544	33
Other comprehensive income/(loss) for the period	7,936	(6,929 )	122	5,846	(2,629 )	90
Total comprehensive income for the period	210,568	149,719	3,223	382,616	279,044	5,855

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 the half year ended September 30, 2017**

Particulars	Share capital	Share premium	Share based payment reserve	Other components of equity	Accumulated deficit	Total	Non-controlling interest	Total Equity
Balance at April 1, 2017	1,516,875	18,680,731	305,539	26,798	(12,265,524)	8,264,419	-	8,264,419
Total comprehensive income/ (loss) for the period	-	-	-	5,846	376,770	<b>382,616</b>	-	382,616
Share based payments	-	-	5,829	-	-	5,829	-	5,829
Transactions with owners, recorded directly in equity								
Dividends paid (including corporate dividend tax) ( 1.2 per share)	-	-	-	-	(208,697 )	(208,697 )	-	<b>(208,697 )</b>
Balance as at September 30, 2017	<b>1, 516,875</b>	<b>18, 680,731</b>	311,368	32,644	(12,097,451)	8,444,167	-	8,444,167

**For the half year ended September 30, 2016**

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Particulars	Share capital	Share premium	Share based payment reserve	Other components of equity	Accumulated deficit	Total	Non-controlling interest	Total Equity
Balance at April 1, 2016	1,423,125	18,474,481	287,901	51,495	(12,736,171)	7,500,831	-	7,500,831
Total comprehensive income/ (loss) for the period	-	-	-	(2,629 )	281,673	<b>279,044</b>	-	279,044
Share based payments	-	-	4,879	-	-	4,879	-	4,879
Transactions with owners, recorded directly in equity								
Dividends paid (including corporate dividend tax) ( 1 per share)	-	-	-	-	(169,742 )	(169,742 )	-	(169,742 )
Balance as at September 30, 2016	1,423,125	18,474,481	292,780	48,866	(12,624,240)	7,615,012	-	7,615,012

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

**Sify Technologies Limited****Unaudited Condensed Consolidated Interim Statement of Cash Flows**

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

(0.50)

	Half year ended September 30		September 30,
	<b>2017</b>	<b>2016</b>	2017
	<b>Rs.</b>	<b>Rs.</b>	Convenience translation into US\$ (In thousands)
Cash flows from / (used in) operating activities			
Profit for the period	376,770	281,673	5,765
Adjustments for:			
Depreciation and amortization	985,136	872,753	15,072
Gain on sale of property, plant and equipment	(941 )	(240 )	(14 )
Provision for doubtful receivables and advances	100,000	84,570	1,530
Stock compensation expense	5,829	4,879	89
Net finance expense / (income)	166,131	163,558	2,542
Unrealized (gain)/ loss on account of exchange differences	3,966	(8,679 )	61
Amortisation of Leasehold Prepayments	10,208	7,747	156
Income tax expense	90	-	1
	1,647,189	1,406,261	25,202
Change in trade and other receivables	(131,373 )	(714,829 )	(2,009 )
Change in inventories	70,910	(244,287 )	1,085
Change in other assets	(283,548 )	(118,602 )	(4,338 )
Change in trade and other payables	(52,135 )	198,688	(798 )
Change in employee benefits	23,460	16,743	359
Change in deferred revenue	(61,514 )	222,179	(941 )
	1,212,989	766,153	18,560
Income taxes (paid)/refund received	(215,851 )	140,312	(3,303 )
Net cash from operating activities	997,138	906,465	15,257
<b>Cash flows from / (used in) investing activities</b>			
Acquisition of property, plant and equipment	(965,191 )	(608,477 )	(14,767 )
Expenditure on intangible assets	(60,161 )	(28,486 )	(921 )
Proceeds from sale of property, plant and equipment	1,041	1,269	16
Investments in corporate debt securities	(25,090 )	-	(384 )
Finance income received	59,118	90,754	904
Net cash used in investing activities	(990,283 )	(544,940 )	(15,152 )



**Sify Technologies Limited** (0.07) (0.50)

**Unaudited Condensed Consolidated Interim Statement of Cash Flows**

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

	Half year ended September 30		September 30, 2017
	<b>2017</b>	2016	Convenience translation into US\$
	<b>Rs</b>	Rs	(In thousands)
Cash flows from / (used in) financing activities			
Proceeds from / (repayment of) borrowings, net	82,176	522,988	1,257
Finance expenses paid	(231,449 )	(231,900 )	(3,541 )
Repayment of finance lease liabilities	(229,038 )	(352,789 )	(3,504 )
Payment of dividends (including corporate dividend tax)	(208,697 )	(169,741 )	(3,193 )
Net cash used in financing activities	(587,008 )	(231,442 )	(8,981 )
Net Increase in cash and cash equivalents	(580,153 )	130,083	(8,876 )
Cash and cash equivalents at April 1	893,104	1,016,113	13,664
Effect of exchange fluctuations on cash held	(1,109 )	(1,981 )	(17 )
Cash and cash equivalents at period end	311,842	1,144,215	4,771
Supplementary information			
Additions to property plant and equipment represented by finance lease obligations	4,426	160,443	68

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

SIFY TECHNOLOGIES LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

1. Reporting entity

Sify Technologies Limited, ('Sify' or 'the Company') formerly known as Sify Limited, is a leading internet services provider headquartered in Chennai, India. These Unaudited Condensed Consolidated Interim Financial Statements as at and for the quarter and half year ended September 30, 2017 comprise the Company and its subsidiaries (Sify Technologies (Singapore) Pte Limited, Sify Technologies North America Corporation and Sify Data and Managed Services Limited (together referred to as the 'Group' and individually as 'Group entities'). The Group is primarily involved in providing services, such as Telecom services, Data Center Services, Cloud and Managed services, Technology Integration services and Applications Integration services. Sify is listed on the NASDAQ Capital Market in the United States.

2. Basis of preparation

a. Statement of compliance

The Unaudited Condensed Consolidated Interim Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standard (IFRS), *IAS 34 Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended March 31, 2017.

These Unaudited Condensed Consolidated Interim Financial Statements have been approved for issue by the Board of Directors on October 24, 2017.

**b. Functional and presentation currency**

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Indian rupee is the functional currency of Sify and its Indian Subsidiary. US dollar is the functional currency of Sify's foreign subsidiaries located in the US and Singapore.



The Unaudited Condensed Consolidated Interim Financial Statements are presented in Indian Rupees which is the Group's presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest thousand except where otherwise indicated.

Convenience translation: Solely for the convenience of the reader, the financial statements as of and for the quarter and half year ended September 30, 2017 have been translated into United States dollars (neither the presentation currency nor the functional currency of the Group) based on the reference rate in the City of Mumbai on September 30, 2017, for cable transfers in Indian rupees as published by the Reserve Bank of India which was 65.36 per \$1.00. No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollar at such a rate or at any other rate on September 30, 2017 or at any other date.

### **c. Use of estimates**

The preparation of these Unaudited Condensed Consolidated Interim Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses during the period. Accounting estimates could change from period to period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of change and future periods, if the change affects both and, if material, their effects are disclosed in the notes to the financial statements.

In preparing the Unaudited Condensed Consolidated Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimating uncertainties were the same as that were applied to the consolidated financial statements as at and for the year ended March 31, 2017.

### **3. Significant accounting policies**

The accounting policies applied by the Group in these Unaudited Condensed Consolidated Interim Financial Statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended March 31, 2017.

#### **Basis of consolidation**

The financial statements of the Group companies are consolidated on a line-by-line basis. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. These financial statements are prepared by applying uniform accounting policies in use at the Group.

Subsidiaries are consolidated from the date control commences until the date control ceases. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

#### **a. Recent accounting pronouncements**

##### **(i) Standards early adopted by the Group**

##### **IFRS 9 Financial Instruments:**

In July 2014, the International Accounting Standards Board issued the final version of IFRS 9, Financial Instruments. The standard reduces the complexity of the current rules on financial instruments as mandated in IAS 39. IFRS 9 has fewer classification and measurement categories as compared to IAS 39 and has eliminated the categories of held to maturity, available for sale and loans and receivables. Further it eliminates the rule-based requirement of segregating embedded derivatives and tainting rules pertaining to held to maturity investments. For an investment in an equity instrument which is not held for trading, IFRS 9 permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income would ever be reclassified to profit or loss. It requires the entity, which chooses to measure a liability at fair value, to present the portion of the fair value change attributable to the entity's own credit risk in the other comprehensive income.

IFRS 9 replaces the 'incurred loss model' in IAS 39 with an 'expected credit loss' model. The measurement uses a dual measurement approach, under which the loss allowance is measured as either 12 month expected credit losses or lifetime expected credit losses. The standard also introduces new Presentation and disclosure requirements.

The effective date for adoption of IFRS 9 is annual periods beginning on or after January 1, 2018, though early adoption is permitted. Effective April 1, 2015, the Group has elected to early adopt IFRS 9.

**(ii) Standards and interpretations issued but not yet effective**

**IFRS 15 Revenue from Contracts with Customers:** In May 2014, the International Accounting Standards Board (IASB) issued IFRS 15, Revenue from Contracts with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits the use of either the retrospective or cumulative effect transition method. The effective date for adoption of IFRS 15 is annual periods beginning on or after January 1, 2018, though early adoption is permitted.

The Group is evaluating the impact of IFRS 15 on the consolidated financial statements including the transition method to be adopted and the related disclosures.

**IFRS 16 Leases :** IFRS 16 on lease was issued on January 13, 2016 and is effective from the year January 1, 2019, though early adoption is permitted for companies applying IFRS 15 Revenue from Contracts with Customers. The standard replaces all existing lease accounting requirements and represents a significant change in accounting and reporting of leases, with more assets and liabilities to be reported on the Statement of Financial Position and a different recognition of lease costs.

The Group is currently evaluating the impact of the standard on the consolidated financial statements.

**IFRIC 22 Foreign currency transactions and advance consideration :** IFRIC 22 was issued on December 8, 2016 which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The effective date for adoption of IFRIC 22 is annual reporting periods beginning on or after January 1, 2018, though early adoption is permitted. The Group is currently evaluating the impact of the same on the consolidated financial statements.

**IFRIC 23 Uncertainty over income tax treatments :** IFRIC 23 was issued on June 7, 2017 to clarify the accounting for uncertainties in income taxes. The effective date for adoption of IFRIC 23 is annual reporting periods beginning on or after January 1, 2019, though early adoption is permitted. The Group is currently evaluating the impact of the same on the consolidated financial statements.

**(iii) New Standards, interpretations and amendments adopted by the group**

**Amendments to IAS 7 Statement of Cash Flows:** The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The adoption of amendment did not have any material effect on the condensed consolidated interim financial statements. The Group is not required to provide additional disclosures in its condensed consolidated interim financial statements, but will disclose additional information in its annual consolidated financial statements for the year ended March 31, 2018.

4. Property, plant and equipment

The following table presents the changes in property, plant and equipment during the half year ended September 30, 2017

*(Rupees in Thousands)*

Particulars	Cost			Accumulated depreciation				Carrying amount as	
	As at April 01, 2017	Additions	Disposals	As at September 30, 2017	As at April 1, 2017	Depreciation for the period	Deletions	As at September 30, 2017	at September 30, 2017
Building	2,301,987	-	-	2,301,987	557,439	41,092	-	598,531	1,703,456
Plant and machinery	11,585,120	357,189	8,300	11,934,009	7,864,346	712,840	8,266	8,568,920	3,365,089
	1,162,259	159,706	4,665	1,317,300	834,398	85,482	4,631	915,249	402,051

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Computer equipments									
Office equipment	496,015	31,832	163	527,684	281,432	29,526	163	310,795	216,889
Furniture and fittings	1,093,544	32,318	314	1,125,548	753,209	51,892	314	804,787	320,761
Vehicles	9,656	-	-	9,656	3,656	1,200	-	4,856	4,800
Total	16,648,581	581,045	13,442	17,216,184	10,294,480	922,032	13,374	11,203,138	6,013,046
Add:									
Construction in progress									550,653
Total	16,648,581	581,045	13,442	17,216,184	10,294,480	922,032	13,374	11,203,138	6,563,699

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The following table presents the changes in property, plant and equipment during the year ended March 31, 2017

(Rupees in Thousands)

Particulars	Cost			Accumulated depreciation				Carrying amount as at March 31, 2017	
	As at April 01, 2016	Additions	Disposals	As at March 31, 2017	As at April 1, 2016	Depreciation for the year	Deletions		As at March 31, 2017
Building	2,301,987	-	-	2,301,987	475,256	82,183	-	557,439	1,744,548
Plant and machinery	10,137,059	1,464,523	16,462	11,585,120	6,610,485	1,269,064	15,203	7,864,346	3,720,774
Computer equipments	951,508	217,549	6,798	1,162,259	702,371	138,736	6,709	834,398	327,861
Office equipment	386,702	110,001	688	496,015	228,987	53,127	682	281,432	214,583
Furniture and fittings	1,028,880	68,328	3,664	1,093,544	661,001	95,872	3,664	753,209	340,335
Vehicles	2,456	7,200	-	9,656	2,456	1,200	-	3,656	6,000
Total	14,808,592	1,867,601	27,612	16,648,581	8,680,556	1,640,182	26,258	10,294,480	<b>6,354,101</b>
Add:									
Construction in progress									267,980
Total	14,808,592	1,867,601	27,612	16,648,581	8,680,556	1,640,182	26,258	10,294,480	6,622,081

#### Leased assets

The Group's leased assets include certain buildings, plant and machinery acquired under finance leases. As at September 30, 2017 the net carrying amount of buildings and plant and machinery acquired under finance leases is 177,863 (March 31, 2017: 183,022) and 444,907 (March 31, 2017: 718,162) respectively. During the half year ended September 30, 2017, the Group acquired leased assets of 4,426 (March 31, 2017 : 168,715).

In case prepayments are made towards buildings accounted for as finance leases, such prepayments are capitalized as 'Leasehold Buildings' (included in buildings) on the commencement of the lease term under the head 'Property, plant and equipment' and depreciated in accordance with the depreciation policy for similar owned assets.

#### Construction in progress

Amounts paid towards acquisition of property, plant and equipment outstanding at each balance sheet date and the cost of property, plant and equipment that are not ready to be put into use are disclosed under

construction-in-progress.

5. Intangible assets

Intangible assets comprise the following:

	September 30, 2017	March 31, 2017
Goodwill	14,595	14,595
Other intangible assets	541,564	544,507
	556,159	559,102

**(i) Goodwill**

The following table presents the changes in goodwill during the half year/year ended

	September 30, 2017	March 31, 2017
Balance at the beginning of the period	14,595	14,595
Net carrying amount of goodwill	14,595	14,595

The amount of goodwill as at September 30, 2017 and March 31, 2017 has been allocated to the Applications Integration Services segment.

**(ii) Other intangibles**

The following table presents the changes in intangible assets during the half year ended September 30, 2017 and year ended March 31, 2017.

	Bandwidth Capacity	Software	License fees	Total
<b>(A) Cost</b>				
Balance as at April 1, 2016	6,42,391	6,19,848	73,000	1,335,239
Acquisitions during the year	-	72,050	-	72,050
Disposals during the year	-	-	-	-
Balance as at March 31, 2017	642,391	691,898	73,000	1,407,289
Acquisitions during the period	-	60,161	-	60,161
Disposals during the period	-	-	-	-
Balance as at September 30, 2017	642,391	752,059	73,000	1,467,450
<b>(B) Amortization</b>				
Balance as at April 1, 2016	1,90,998	5,27,484	25,706	744,188
Amortization for the year	56,396	59,548	2,650	118,594
Impairment loss on intangibles	-	-	-	-
Balance as at March 31, 2017	247,394	587,032	28,356	862,782
Amortization for the period	28,198	33,581	1,325	63,104
Impairment loss on intangibles	-	-	-	-
Balance as at September 30, 2017	275,592	620,613	29,681	925,886
<b>(C) Carrying amounts</b>				
As at March 31, 2017	394,997	104,866	44,644	544,507
As at September 30, 2017	366,799	131,446	43,319	541,564

Intangible assets that were fully impaired/amortised were removed from the block.

**6. Cash and cash equivalents**

Cash and cash equivalents as at September 30, 2017 amounted to 2,097,895 (March 31, 2017: 1,621,358). This excludes cash-restricted of 291,591 (March 31, 2017: 262,907), representing deposits held under lien against working capital facilities availed and bank guarantees given by the Group towards future performance obligations.

**(a) Restricted cash**



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	September 30, 2017	March 31, 2017	September 30, 2016	March 31, 2016
<i>Non current</i>				
Against future performance obligation	-	-	-	-
<i>Current</i>				
Bank deposits held under lien against borrowings / guarantees from banks / Government authorities	291,591	262,907	291,778	345,328
Total restricted cash	291,591	262,907	291,778	345,328
(b) Non restricted cash				
<i>Current</i>				
Cash and bank balances	2,097,895	1,621,358	1,550,463	1,390,552
Total cash (a+b)	2,389,486	1,884,265	1,842,241	1,735,880
Bank overdraft used for cash management purposes	(2,077,644 )	(991,161 )	(698,026 )	(719,767 )
Less: Non current restricted cash	-	-	-	-
Cash and cash equivalents for the statement of cash flows	311,842	893,104	1,144,215	1,016,113

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7. Lease prepayments

	September 30, 2017	March 31, 2017
Towards land and buildings*	1,236,444	1,017,623
	1,236,444	1,017,623

\* Includes 1,209,906 (March 31, 2017: 988,599) paid for acquiring leasehold rights of land for construction of Data centers. The prepayment towards land is amortized over the period of the lease on a straight line basis. In respect of buildings under operating lease, prepayments are amortized over the lease term on a straight line basis.

8. Trade and other receivables

Trade and other receivables comprise:

	September 30, 2017	March 31, 2017
(i) Trade receivables, net	7,007,422	6,950,563
(ii) Other receivables including deposits	2,041,512	1,820,501
(iii) Construction contract related accruals	1,585	10,628
	9,050,519	8,781,692

Trade receivables consist of:

	September 30, 2017	March 31, 2017
Other trade receivables	7,228,238	7,184,753
	7,228,238	7,184,753
Less: Allowance for doubtful receivables	(220,816	) (234,190
Balance at the end of half year/year	7,007,422	6,950,563

The activity in the allowance for doubtful accounts receivable is given below:

	September 30, 2017	March 31, 2017
Balance at the beginning of the period	234,190	209,065
Add : Additional provision, net	100,000	383,534
Less : Bad debts written off	(113,374	) (358,409

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Balance at the end of half year/year	220,816	234,190
Financial assets included in other receivables	101,168	101,098

9.

Employee benefits

	September 30, 2017	March 31, 2017
Gratuity payable	93,531	89,114
Compensated absences	41,177	38,184
	134,708	127,298

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**Gratuity cost**

The components of gratuity cost recognized in the income statement for the quarter and half year ended September 30, 2017 and 2016 consists of the following:

	Quarter ended September 30, 2017	Quarter ended September 30, 2016	Half year ended September 30, 2017	Half year ended September 30, 2016
Service cost	5,187	4,270	10,420	8,467
Interest cost	1,879	1,718	3,707	3,387
Interest income	(354)	(666)	(699)	(1,313)
Net gratuity costs recognized in statement of income	6,712	5,322	13,428	10,541

Details of employee benefit obligation and plan asset are as follows:

	September 30, 2017	March 31, 2017
Present value of projected benefit obligation at the end of half year/ year	116,997	109,826
Funded status of the plans	(23,466)	(20,712)
Recognized (asset) / liability	93,531	89,114

The following table set out the status of the gratuity plan:

	September 30, 2017	March 31, 2017
Change in defined benefit obligation		
Projected benefit obligation at the beginning of half year/ year	109,826	91,801
Service cost	10,420	19,154
Interest cost	3,707	6,880
Remeasurements - Actuarial (gain) / loss	(4,446)	2,250
Benefits paid	(2,510)	(10,259)
Projected benefit obligation at the end of half year/ year	116,997	109,826

	September 30, 2017	March 31, 2017
Change in plan assets		
Fair value of plan assets at the beginning of the period	20,712	35,589
Interest income	699	2,667

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Remeasurements – return on plan assets excluding amounts included in interest income	(730	)	(14,785	)
Employer contributions	5,295		7,500	
Benefits paid	(2,510	)	(10,259	)
Fair value of plan assets at the end of the period	23,466			