

SIFY TECHNOLOGIES LTD
Form SC 13D/A
December 21, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D/A

Under the Securities Exchange Act of 1934

(Amendment No. 4)

SIFY TECHNOLOGIES LIMITED

(Name of Issuer)

American Depositary Shares, each representing one Equity Share

(Title of Class of Securities)

804099208

(CUSIP Number)

Infinity Capital Ventures, LP

1875 Century Park East

Suite 1500

Edgar Filing: SIFY TECHNOLOGIES LTD - Form SC 13D/A

Los Angeles, CA 90067

Attn: Amir Ohebsion

310-445-5533

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

October 30, 2010

Date of Event Which Requires Filing of This Statement

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Section 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Section 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 804099208 SCHEDULE 13D (Amendment No. 4)

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Infinity Capital Ventures, LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

| | | |
|--|---|---|
| <p>Delaware NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH</p> | <p>7 8 9 10</p> | <p>SOLE VOTING POWER 13,902,860 American Depositary Shares, each representing one Equity Share SHARED VOTING POWER SOLE DISPOSITIVE POWER 13,902,860 American Depositary Shares, each representing one Equity Share SHARED DISPOSITIVE POWER</p> |
|--|---|---|

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

13,902,860 American Depositary Shares, each representing one Equity Share

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.8% *

14 TYPE OF REPORTING PERSON

PN

* Represents the percentage obtained by dividing (i) the number of American Depositary Shares beneficially held by the Reporting Person, each representing one Equity Share by (ii) the number of Equity Shares outstanding as of November 1, 2010, as provided by the Issuer to the Reporting Persons.

CUSIP No. 804099208 SCHEDULE 13D (Amendment No. 4)

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Infinity Capital Venture Management, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

| | | |
|--|---|---|
| <p>Delaware NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH</p> | <p>7 8 9 10</p> | <p>SOLE VOTING POWER 13,902,860 American Depositary Shares, each representing one Equity Share SHARED VOTING POWER 13,902,860 American Depositary Shares, each representing one Equity Share SHARED DISPOSITIVE POWER</p> |
|--|---|---|

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

13,902,860 American Depositary Shares, each representing one Equity Share

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.8% *

14 TYPE OF REPORTING PERSON

OO

* Represents the percentage obtained by dividing (i) the number of American Depositary Shares beneficially held by the Reporting Person, each representing one Equity Share by (ii) the number of Equity Shares outstanding as of November 1, 2010, as provided by the Issuer to the Reporting Persons.

CUSIP No. 804099208 SCHEDULE 13D (Amendment No. 4)

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Vegesna Family Trust

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

PF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

| | | |
|-------------------|----|--|
| California | | |
| NUMBER OF | 7 | SOLE VOTING POWER |
| SHARES | | |
| BENEFICIALLY | | 14,481,051 American Depositary Shares, each representing one Equity Share |
| OWNED BY | 8 | SHARED VOTING POWER |
| EACH | | |
| REPORTING | | |
| PERSON | 9 | SOLE DISPOSITIVE POWER |
| WITH | | |
| | 10 | 14,481,051 American Depositary Shares, each representing one Equity Share * SHARED DISPOSITIVE POWER |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

14,481,051 American Depositary Shares, each representing one Equity Share *

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.1% **

14 TYPE OF REPORTING PERSON

OO

* Shares consist of American Depositary Shares, each representing one Equity Share

** Represents the percentage obtained by dividing (i) the number of American Depositary Shares, each representing one Equity Share, beneficially held by the Reporting Person by (ii) the number of Equity Shares outstanding as of November 1, 2010, as provided by the Issuer to the Reporting Persons.

CUSIP No. 804099208 SCHEDULE 13D (Amendment No. 4)

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Raju Vegesna

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

| | | |
|---|--------------------------------------|--|
| <p>India</p> <p>NUMBER OF</p> <p>SHARES</p> <p>BENEFICIALLY</p> <p>OWNED BY</p> <p>EACH</p> <p>REPORTING</p> <p>PERSON</p> <p>WITH</p> | <p>7</p> <p>8</p> <p>9</p> <p>10</p> | <p>SOLE VOTING POWER</p> <p>13,902,860 American Depositary Shares, each representing one Equity Share</p> <p>SHARED VOTING POWER</p> <p>125,578,191 shares ***</p> <p>SOLE DISPOSITIVE POWER</p> <p>13,902,860 American Depositary Shares, each representing one Equity Share</p> <p>SHARED DISPOSITIVE POWER</p> |
|---|--------------------------------------|--|

125,578,191 shares ***

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

139,481,051 shares *

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

78.2% **

14 TYPE OF REPORTING PERSON

IN

* Shares consist of American Depositary Shares, each representing one Equity Share.

** Represents the percentage obtained by dividing (i) the number of Equity Shares and the number American Depositary Shares, each representing one Equity Share, beneficially held by the Reporting Person by (ii) the number of Equity Shares outstanding as of November 1, 2010, as provided by the Issuer to the Reporting Persons. Raju Vegesna beneficially holds all of the shares of the Issuer held by all of the Reporting Persons included on this Amendment No. 4.

*** Includes 578,191 American Depositary Shares, each representing one Equity Share, owned by the Vegesna Family Trust, of which the Reporting Person is co-trustee and has voting and dispositive power and beneficial ownership, and 125,000,000 Equity Shares owned by Raju Vegesna Infotech & Industries Private Limited, a company organized under the laws of India.

CUSIP No. 804099208 SCHEDULE 13D (Amendment No. 4)

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Raju Vegesna Infotech & Industries Private Limited

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (b)

3 SEC USE ONLY

AF

4 SOURCE OF FUNDS

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

India

7 SOLE VOTING POWER

NUMBER OF

SHARES

8 **125,000,000 Equity Shares**

SHARED VOTING POWER

BENEFICIALLY

OWNED BY

EACH

9 SOLE DISPOSITIVE POWER

REPORTING

PERSON

10 **125,000,000 Equity Shares**

SHARED DISPOSITIVE POWER

WITH

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

125,000,000 Equity Shares

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

70.1% *

14 TYPE OF REPORTING PERSON

OO**

* Represents the percentage obtained by dividing (i) the number of Equity Shares beneficially held by the Reporting Person by (ii) the number of Equity Shares outstanding as of November 1, 2010, as provided by the Issuer to the Reporting Persons.

** Reporting Person is an Indian company incorporated under the provisions of the Indian Companies Act, 1956.

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SCHEDULE 13D (Amendment No. 4)

The information in this Amendment No. 4 is supplemental and is not a complete restatement of the text of the Schedule 13D (as defined below). This Amendment No. 4 to Schedule 13D (Amendment No. 4) should be read in conjunction with, and is qualified in its entirety by reference to, Amendment No. 3 to this Schedule 13D, filed on June 4, 2009, Amendment No. 2 to this Schedule 13D, filed on January 22, 2007, Amendment No. 1 to this Schedule 13D, filed on November 23, 2005 and the Schedule 13D filed on November 21, 2005 (as amended, the Schedule 13D). This Amendment No. 4 is filed to report the acquisition of shares of the Issuer (as such term is defined below) pursuant to the Transaction (as such term is defined below) described herein. Additionally, beginning with this Amendment No. 4 and all future amendments to the Schedule 13D, the Reporting Persons shall include Infotech (as defined below), as a result of Infotech's acquisition of shares of the Issuer in connection with the Transaction.

As used herein, the Reporting Persons includes Infinity Capital Ventures, LP (Infinity Capital); Infinity Capital Venture Management, LLC (Infinity Capital Management); the Vegesna Family Trust (the Family Trust), Raju Vegesna (Vegesna); and Raju Vegesna Infotech & Industries Private Limited (Infotech).

ITEM 1. Security and Issuer.

The class of equity securities to which this Amendment No. 4 relates is the equity share, par value Indian Rupees 10 per share (the Equity Shares), of Sify Technologies Limited, a company incorporated in India (the Issuer). The Equity Shares are the underlying shares of the Issuer's American Depositary Shares (ADS), which each represent one Equity Share. The Equity Shares are not traded on an exchange either in the United States or India. The Issuer's ADS trade on the Nasdaq Global Market. The ADSs have been issued pursuant to a Deposit Agreement, dated October 18, 1999, as amended, by and among the Issuer, Citibank, N.A., as depositary (the Depositary), and the holders and beneficial owners of ADSs.

The principal executive offices of the Issuer are located at Tidel Park, 2nd Floor No 4, 4 Rajiv Gandhi Salai, Taramani, Chennai, India 600 113.

ITEM 2. Identity and Background.

Item 2 is hereby amended to add the following:

Infotech's primary business is information technology. Infotech is organized under the laws of India, and the address of its principal business office is 10-27-2/4, FACOR Layout, Lakshmi Apartments, Kailash Metta, Waltair Uplands, Visakhapatnam, 530 003, Andhra Pradesh, India. Infotech is managed by a three member board of directors comprised of Vegesna, Ananda Raju Vegesna and Ananda Raju Vegesna's son, Vegesna Raghu Rama Raju. Vegesna and the Vegesna family trust registered in India (the Indian Vegesna Family Trust) beneficially own an aggregate of approximately 99.9% of the outstanding shares of Infotech. The Indian Vegesna Family Trust is a trust organized under the laws of India and its address is Plot No. 38, D. No. 8-1-63/75, Prashathi Nagar Colony, Peda Waltair, Visakhapatnam, 530 017, Andhra Pradesh, India. Vegesna is one of the three founder trustees who manage the Indian Vegesna Family Trust.

During the past five (5) years, none of the Reporting Persons have been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) nor (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to United States federal or state securities laws or finding any violation with respect to such laws.

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SCHEDULE 13D (Amendment No. 4)

ITEM 3. Source and Amount of Funds or Other Consideration.

Item 3 is hereby amended to add the following:

Infotech shall use 4,000,000,000 Indian Rupees to be received over a period of time in installments from the sale its shares to the Indian Vegesna Family Trust to purchase 125,000,000 Equity Shares (the "Purchased Shares") of the Issuer pursuant to the terms of that certain Subscription Agreement (the "Subscription Agreement"), dated October 22, 2010, by and between the Issuer and Ananda Raju Vegesna (the "Transaction"). As further set forth in the Subscription Agreement, Ananda Raju Vegesna executed the Subscription Agreement as "Representative" and in such capacity was authorized to identify and finalize the names of the purchaser(s) under the Subscription Agreement. Pursuant to the terms of the Subscription Agreement, the entirety of the Purchased Shares were issued to Infotech on October 30, 2010 at the time of the first partial payment by Infotech for the Purchased Shares. Full payment by Infotech for the Purchased Shares will occur over time, in accordance with Indian law, and the Issuer will retain a lien on such Purchased Shares until such Purchased Shares are fully paid.

ITEM 4. Purpose of Transaction.

Item 4 is hereby amended to add the following:

The purpose of the Transaction is to obtain funding for the Issuer's ongoing capital expenditures, business expansion and general business operations. The Issuer's Board of Directors and stockholders have each approved the Transaction.

The Reporting Persons intend to review from time to time the Issuer's business affairs and financial position. Based on such evaluation and review, as well as general economic and industry conditions existing at the time, the Reporting Person may consider from time to time various alternative courses of action. Such actions may include the acquisition of additional Equity Shares, either in privately negotiated transactions or otherwise. Alternatively, such actions may involve the sale of all or a portion of the ADS's representing the Equity Shares in the open market, in privately negotiated transactions, through a public offering or otherwise.

Except as described above and except in connection with the Transaction, the Reporting Persons have no present plan or proposal, which relate to or would result in any of the transactions described in subparagraphs (a) through (j) of

Item 4 of Schedule 13D.

ITEM 5. Interest in Securities of the Issuer.

Item 5 is hereby amended and restated as follows:

(a) Infinity Capital is the beneficial owner of 13,902,860 ADSs, representing approximately 7.8% of the Issuer's outstanding Equity Shares. Since Infinity Capital Management is the general partner and the Family Trust is the limited partner of Infinity Capital, it may be deemed to have an indirect beneficial ownership of the ADSs owned by Infinity Capital.

Vegesna is the sole manager of Infinity Capital Management, and he may be deemed to have an indirect beneficial ownership of the ADSs owned by Infinity Capital.

The Family Trust is the beneficial owner of 578,191 ADSs, representing approximately 0.3% of the Issuer's outstanding Equity Shares. Since Vegesna is the co-trustee of the Family Trust, he may be deemed to have an indirect beneficial ownership of the ADSs owned by the Trust. Additionally, the Family Trust may be deemed to have indirect beneficial ownership of the ADS held by Infinity Capital.

Infotech is the beneficial owner of 125,000,000 Equity Shares, representing 70.1% of the Issuer's outstanding Equity Shares. The Indian Vegesna Family Trust holds 64% of the outstanding shares of Infotech. Since Vegesna is one of the founder trustees of the Indian Vegesna Family Trust he may be deemed to have an indirect beneficial ownership of the Equity Shares owned by Infotech.

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SCHEDULE 13D (Amendment No. 4)

(b) Except as otherwise described herein, no person other than the Reporting Persons have any sole or shared power to vote or direct the vote of any Equity Shares or ADSs nor sole or shared power to dispose of or direct the disposition of any Equity Shares or ADSs.

(c) Not applicable.

(d) No other person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of, dividends from or proceeds from the sale of the Equity Shares or the ADSs.

(e) Not applicable.

ITEM 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Item 6 is hereby amended to add the following:

Infotech shall use the 4,000,000,000 Indian Rupees to be received over a period of time in installments from the sale of its shares to the Indian Vegesna Family Trust to pay for the purchase of the 125,000,000 Equity Shares (the Purchased Shares) of the Issuer, pursuant to the terms of that certain Subscription Agreement (the Subscription Agreement), dated October 22, 2010, by and between the Issuer and Ananda Raju Vegesna (the Transaction). As further set forth in the Subscription Agreement, Ananda Raju Vegesna executed the Subscription Agreement as Representative and in such capacity was authorized to identify and finalize the names of the purchaser(s) under the Subscription Agreement. Pursuant to the terms of the Subscription Agreement, the entirety of the Purchased Shares were issued to Infotech on October 30, 2010 at the time of the first partial payment by Infotech for the Purchased Shares. Full payment by Infotech for the Purchased Shares will occur over time, in accordance with Indian law, and the Issuer will retain a lien on such Purchased Shares until such Purchased Shares are fully paid. The foregoing summary of the Subscription Agreement is not complete and is qualified in its entirety by reference to the Subscription Agreement, attached as Exhibit 99.1 hereto.

Except for the agreement to be filed as an exhibit to this Schedule 13D, the Reporting Persons do not have any contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect of any securities of the Issuer, including but not limited to, transfer or voting of any of the securities of the Issuer, finder s fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the

giving or withholding of proxies, or a pledge or contingency the occurrence of which would give another person voting or investment power over securities of the Issuer.

ITEM 7. Material to be Filed as Exhibits.

Item 7 is hereby amended to add the following exhibits:

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| <u>99.1</u> | Subscription Agreement, dated October 22, 2010, by and between the Issuer and Ananda Raju Vegesna |
| <u>99.2</u> | Amended and Restated Joint Filing Agreement, dated December 20, 2010, by and among the Reporting Persons |

CUSIP No. 804099208

SCHEDULE 13D (Amendment No. 4)

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 20, 2010
INFINITY CAPITAL VENTURES, LP

By: Infinity Capital Venture Management, LLC
Its General Partner

By: /s/ Raju Vegesna
Name: Raju Vegesna
Title: Member

INFINITY CAPITAL VENTURE MANAGEMENT, LLC

By: /s/ Raju Vegesna
Name: Raju Vegesna
Title: Member

VEGESNA FAMILY TRUST

By: /s/ Raju Vegesna
Name: Raju Vegesna
Title: Co-Trustee

RAJU VEGESNA

/s/ Raju Vegesna

Raju Vegesna

RAJU VEGESNA INFOTECH & INDUSTRIES PRIVATE LIMITED

By: /s/ Raju Vegesna
Name: Raju Vegesna
Title: Director

Attention: International misstatements or omissions of fact constitute Federal criminal violations (See 18 U.S.C. 1001)