

**SIFY LIMITED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share data and as otherwise stated)

	<u>As at March 31,</u> <u>2004</u>	<u>As at June 30,</u> <u>2004</u> <u>(Unaudited)</u>	
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	Rs. 1,325,803	Rs. 1,340,844	\$ 29,155
Cash restricted	101,587	30,891	672
Accounts receivable	493,980	465,348	10,118
Due from officers and employees	-	1,197	26
Due from related parties	13,030	15,114	329
Inventories	20,759	16,226	353
Prepaid expenses	106,957	136,377	2,965
Other current assets	123,571	106,921	2,325
<b>Total current assets</b>	<b>2,185,687</b>	<b>2,112,918</b>	<b>45,943</b>
Cash restricted	10,146	110,245	2,397
Property, plant and equipment-net	1,249,798	1,214,513	26,409
Goodwill and other intangible assets	125,622	113,965	2,478
Investments in affiliated companies	140,508	152,543	3,317
Other assets	87,312	87,144	1,895
<b>Total assets</b>	<b>Rs. 3,799,073</b>	<b>Rs. 3,791,328</b>	<b>\$ 82,439</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Current installments of capital lease obligations	5,851	5,955	130
Trade accounts payable	220,322	203,370	4,422
Accrued liabilities	317,228	353,119	7,678
Deferred revenue	341,953	347,694	7,560
Due to officers and employees	326	225	5
Advances from customers	83,670	80,512	1,751
Other current liabilities	56,182	54,694	1,189
<b>Total current liabilities</b>	<b>1,025,532</b>	<b>1,045,569</b>	<b>22,735</b>
Capital lease obligations, excluding current installments	5,151	4,826	105
Other liabilities	51,127	51,826	1,127
<b>Total liabilities</b>	<b>1,081,810</b>	<b>1,102,221</b>	<b>23,967</b>
<b>Minority interest</b>	<b>1,595</b>	<b>1,595</b>	<b>35</b>
<b>Stockholders' equity</b>			
Common stock, Rs 10 par value; 37,500,000 equity shares authorized; Issued and outstanding: 34,900,993 shares as of March 31, 2004 and 35,040,345 shares as of June 30, 2004.	349,010	350,403	7,619
Additional paid-in capital	14,490,037	14,511,333	315,533
Deferred compensation - employee stock offer plan	(14,326)	(10,432)	(227)
Accumulated deficit	(12,109,053)	(12,163,792)	(264,488)
<b>Total stockholders' equity</b>	<b>2,715,668</b>	<b>2,687,512</b>	<b>58,437</b>
<b>Total liabilities and stockholders' equity</b>	<b>Rs. 3,799,073</b>	<b>Rs. 3,791,328</b>	<b>\$ 82,439</b>

See accompanying notes to unaudited condensed consolidated financial statements