

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

	at March 31, 2004	As at September 30, 2004	
		(Unaudited)	
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	Rs. 1,325,803	Rs. 1,458,914	\$ 31,778
Cash restricted	101,587	31,478	686
Accounts receivable	493,980	461,309	10,048
Due from officers and employees	-	1,046	23
Due from related parties	13,030	25,309	551
Inventories	20,759	42,086	917
Prepaid expenses	106,957	83,059	1,809
Net investment in leases	-	300	7
Other current assets	123,571	129,617	2,823
<b>Total current assets</b>	<b>2,185,687</b>	<b>2,233,118</b>	<b>48,642</b>
Cash restricted	10,146	20,227	441
Net investment in leases	-	412	9
Property, plant and equipment-net	1,249,798	1,192,794	25,981
Goodwill and other intangible assets	125,622	99,088	2,158
Investments in affiliated companies	140,508	158,778	3,458
Other assets	87,312	88,945	1,937
<b>Total assets</b>	<b>Rs. 3,799,073</b>	<b>Rs. 3,793,362</b>	<b>\$ 82,626</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Current installments of capital lease obligations	5,851	6,981	152
Trade accounts payable	220,322	176,350	3,841
Accrued liabilities	317,228	385,683	8,401
Deferred revenue	341,953	380,230	8,282
Due to officers and employees	326	1,050	23
Advances from customers	83,670	83,307	1,815
Other current liabilities	56,182	60,627	1,320
<b>Total current liabilities</b>	<b>1,025,532</b>	<b>1,094,228</b>	<b>23,834</b>
Capital lease obligations, excluding current installments	5,151	5,967	130
Other liabilities	51,127	47,116	1,026
<b>Total liabilities</b>	<b>1,081,810</b>	<b>1,147,311</b>	<b>24,990</b>
<b>Minority interest</b>	1,595	1,595	35
<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 35,040,950 shares as of September 30, 2004.	349,010	350,410	7,633
Additional paid-in capital	14,490,037	14,512,126	316,099
Deferred compensation - employee stock offer plan	(14,326)	(8,086)	(176)
Accumulated deficit	(12,109,053)	(12,209,994)	(265,955)
<b>Total stockholders' equity</b>	<b>2,715,668</b>	<b>2,644,456</b>	<b>57,601</b>
<b>Total liabilities and stockholders' equity</b>	<b>Rs. 3,799,073</b>	<b>Rs. 3,793,362</b>	<b>\$ 82,626</b>

See accompanying notes to unaudited condensed consolidated financial statements