

SIFY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share data and as otherwise stated)

	Year ended March 31,			
	2002	2003	2004	2004
Revenues	Rs. 1,493,636	Rs. 1,862,585	Rs. 2,517,873	\$ 58,016
Initial services charges	66,652	97,270	233,750	5,386
Revenue from related parties	17,200	34,345	49,561	1,142
Total Revenue	1,577,488	1,994,200	2,801,184	64,544
Cost of revenues	1,192,671	1,264,101	1,476,714	34,026
Selling, general and administrative expenses	1,256,763	1,090,935	1,208,884	27,854
Provision for doubtful receivables and advances	101,500	156,233	76,487	1,762
Acquisition expenses	20,000	-	-	-
Amortisation / impairment of goodwill	4,420,644	-	-	-
Impairment of assets	-	246,999	22,551	520
Depreciation	574,867	474,261	481,810	11,102
Amortisation of intangible assets	29,337	69,907	50,224	1,157
Amortisation of deferred stock compensation expense	9,686	57,729	27,946	644
Foreign exchange (gain) / loss	(44,520)	18	52,148	1,202
Total operating expenses	7,560,948	3,360,183	3,396,764	78,267
Operating loss	(5,983,460)	(1,365,983)	(595,580)	(13,723)
Other income, net	32,711	52,948	144,147	3,321
Loss before taxes, equity in losses of affiliates and minority interest	(5,950,749)	(1,313,035)	(451,433)	(10,402)
Equity in (losses) / profits of affiliates				
Operating (losses) / profits	(1,225,444)	(50,689)	17,083	394
Gain on sale of investment in affiliates	-	24,628	63,059	1,453
Minority interest	17,928	12,564	79	2
Losses before income taxes	(7,158,265)	(1,326,532)	(371,212)	(8,553)
Taxes	-	(2,856)	(72)	(2)
Loss from continuing operations	Rs.(7,158,265)	Rs.(1,329,388)	Rs.(371,284)	\$(8,555)
Discontinued operations				
Income / (loss) from discontinued operations	Rs.(125,373)	-	-	-
Profit on sale of discontinued operations	Rs. 81,121	-	-	-
Net loss	Rs.(7,202,517)	Rs.(1,329,388)	Rs.(371,284)	\$(8,555)
Net loss per share - continuing operations	Rs.(308.59)	Rs.(51.15)	Rs.(10.76)	\$(0.25)
Net loss per share - discontinued operations	Rs.(1.91)	-	-	-
Net loss per share	Rs.(310.50)	Rs.(51.15)	Rs.(10.76)	\$(0.25)
Weighted equity shares used in computing loss per equity share	23,196,428	25,988,095	34,519,545	34,519,545

See accompanying notes to consolidated financial statements