

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

	As at March 31,		
	2003	2004	2004
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	Rs. 897,596	Rs. 1,325,803	\$ 30,548
Cash restricted	74,612	101,587	2,341
Accounts receivable	346,270	493,980	11,382
Due from officers and employees	982	-	-
Due from related parties	16,016	13,030	300
Inventories	39,971	20,759	478
Prepaid expenses	124,785	106,957	2,465
Other current assets	148,291	123,571	2,847
<b>Total current assets</b>	<b>1,648,523</b>	<b>2,185,687</b>	<b>50,361</b>
Cash restricted	100,010	10,146	234
Property, plant and equipment-net	1,542,829	1,249,798	28,797
Goodwill and other intangible assets	166,983	125,622	2,895
Investments in affiliated companies	140,053	140,508	3,237
Investments in securities	1,140	-	-
Other assets	100,849	87,312	2,012
<b>Total assets</b>	<b>Rs. 3,700,387</b>	<b>Rs. 3,799,073</b>	<b>\$ 87,536</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Current installments of capital lease obligations	2,482	5,851	135
Trade accounts payable	82,635	220,322	5,077
Accrued liabilities	278,256	317,228	7,309
Deferred revenue	289,297	341,953	7,879
Due to officers and employees	-	326	7
Advances from customers	26,171	83,670	1,928
Other current liabilities	60,520	56,182	1,295
<b>Total current liabilities</b>	<b>739,361</b>	<b>1,025,532</b>	<b>23,630</b>
Capital lease obligations, excluding current installments	3,767	5,151	119
Other liabilities	65,864	51,127	1,177
<b>Total liabilities</b>	<b>808,992</b>	<b>1,081,810</b>	<b>24,926</b>
<b>Minority interest</b>	<b>2,699</b>	<b>1,595</b>	<b>37</b>
<b>Stockholders' equity</b>			
Common stock, Rs 10 par value; 37,500,000 equity shares authorized; Issued and outstanding: 32,795,200 shares as of March 31,2003 and 34,900,993 shares as of March 31,2004	327,952	349,010	8,042
Additional paid-in capital	14,326,742	14,490,037	333,871
Deferred compensation - employee stock offer plan	(24,839)	(14,326)	(330)
Accumulated deficit	(11,737,769)	(12,109,053)	(279,010)
Accumulated other comprehensive income	(3,390)	-	-
<b>Total stockholders' equity</b>	<b>2,888,696</b>	<b>2,715,668</b>	<b>62,573</b>
<b>Total liabilities and stockholders' equity</b>	<b>Rs. 3,700,387</b>	<b>Rs. 3,799,073</b>	<b>\$ 87,536</b>

See accompanying notes to consolidated financial statements