

SIFY LIMITED (formerly known as Satyam Infoway Limited) AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data and as otherwise stated)

| | <u>As at March 31,</u> 2004 | <u>As at March 31,</u> 2005 | |
|---|---------------------------------------|---------------------------------------|------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | Rs.1,325,803 | Rs.1,323,912 | \$ 30,351 |
| Cash restricted | 101,587 | 24,904 | 571 |
| Accounts receivable | 493,980 | 615,286 | 14,106 |
| Due from employees | - | 2,063 | 47 |
| Due from related parties | 13,030 | 33,524 | 769 |
| Inventories | 20,759 | 29,194 | 669 |
| Prepaid expenses | 106,957 | 87,162 | 1,998 |
| Net investment in leases | - | 9,430 | 216 |
| Other current assets | 123,571 | 140,285 | 3,216 |
| Total current assets | 2,185,687 | 2,265,760 | 51,943 |
| Cash restricted | 10,146 | 7,336 | 168 |
| Net investment in leases | - | 19,735 | 453 |
| Property, plant and equipment-net | 1,249,798 | 1,270,621 | 29,129 |
| Goodwill and other intangible assets | 125,622 | 171,732 | 3,937 |
| Investments in affiliated companies | 140,508 | 192,357 | 4,410 |
| Other assets | 87,312 | 93,241 | 2,138 |
| Total assets | Rs.3,799,073 | Rs.4,020,782 | \$ 92,178 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| Current liabilities: | | | |
| Current installments of capital lease obligations | 5,851 | 6,089 | 140 |
| Trade accounts payable | 220,322 | 454,466 | 10,419 |
| Accrued liabilities | 317,228 | 393,727 | 9,026 |
| Deferred revenue | 341,953 | 409,244 | 9,382 |
| Due to employees | 326 | 2,326 | 53 |
| Advances from customers | 83,670 | 69,429 | 1,592 |
| Other current liabilities | 56,182 | 117,876 | 2,702 |
| Total current liabilities | 1,025,532 | 1,453,157 | 33,314 |
| Capital lease obligations, excluding current installments | 5,151 | 3,814 | 87 |
| Other liabilities | 51,127 | 63,627 | 1,459 |
| Total liabilities | 1,081,810 | 1,520,598 | 34,860 |
| Minority interest | 1,595 | 1,595 | 37 |
| Stockholders' equity | | | |
| 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 35,380,278 shares as of March 31, 2005 | 349,010 | 353,803 | 8,111 |
| Additional paid-in capital | 14,490,037 | 14,563,734 | 333,877 |
| Deferred compensation - employee stock offer plan | (14,326) | (3,416) | (78) |
| Accumulated deficit | (12,109,053) | (12,415,532) | (284,629) |
| Total stockholders' equity | 2,715,668 | 2,498,589 | 57,281 |
| Total liabilities and stockholders' equity | Rs.3,799,073 | Rs.4,020,782 | \$ 92,178 |

(See accompanying notes to consolidated financial statements)