

**SIFY LIMITED (formerly known as Satyam Infoway Limited) AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME**  
(in thousands, except share data and as stated otherwise)

	Common Stock		Additional paid In capital	Comprehensive income	Accumulated other comprehensive Income	Deferred compensation - employee stock offer plan	Accumulated deficit	Total Stockholders' equity
	Shares	Par Value						
<b>Balance as of March 31, 2002</b>	23,202,176	Rs.232,022	Rs.13,649,325		(Rs.3,891)	Rs.(74,961)	Rs.(10,408,381)	Rs.3,394,114
Issue of common stock	9,593,024	95,930	664,542					760,472
Compensation related to stock option grants			86			(86)		
Amortization of compensation related to stock option grants			12,789			50,208		62,997
Comprehensive income								
Net loss				(1,329,388)			(1,329,388)	(1,329,388)
Other comprehensive income								
Unrealized loss on investments, net of nil tax				(1,253)	(1,253)			(1,253)
Foreign exchange translation adjustment				1,754	1,754			1,754
Comprehensive income				(1,328,887)				
<b>Balance as of March 31, 2003</b>	32,795,200	327,952	14,326,742		(3,390)	(24,839)	(11,737,769)	2,888,696
Issue of common stock	2,105,793	21,058	145,862					166,920
Compensation related to stock option grants			21,497			(21,497)		
Amortization of compensation related to stock option grants			(4,064)			32,010		27,946
Comprehensive income								
Net loss				(371,284)			(371,284)	(371,284)
Other comprehensive income								
Unrealized loss on investment, net of nil tax				2,129	2,129			2,129

Foreign exchange translation adjustment				1,261	1,261		1,261	
Comprehensive income				<u>(367,894)</u>				
<b>Balance as of March 31, 2004</b>	34,900,993	349,010	14,490,037		-	(14,326 )	(12,109,053 )	2,715,668
Issue of common stock	479,285	4,793	73,968					78,761
Compensation related to stock option grants			2,287			(2,287 )		
Amortization of compensation related to stock option grants			(2,558 )			13,197		10,639
Comprehensive income								
Net loss				(307,576 )			(307,576 )	(307,576)
Other comprehensive income								
SAB 51 gain							1,097	1,097
Comprehensive income				(307,576)				
<b>Balance as of March 31, 2005</b>	35,380,278	353,803	14,563,734		-	(3,416 )	(12,415,532 )	2,498,589
				(7,026 )				
<b>Balance as of March 31, 2005 (in U.S.\$)</b>	35,380,278	8,111	333,877		-	(78 )	(284,629 )	57,281
(See accompanying notes to consolidated financial statements)								