

SIFY LIMITED and Subsidiaries
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data and as otherwise stated)

	<u>As at March 31,</u>	<u>As at December 31,</u>	
	2006 Rs.	2006 Rs.	2006 \$
ASSETS			
Current assets:			
Cash and cash equivalents	Rs. 2,822,501	Rs. 2,338,453	\$ 53,014
Accounts receivable	838,433	1,028,911	23,326
Due from employees	23,818	5,472	124
Inventories	30,462	30,315	687
Prepaid expenses	91,158	131,284	2,976
Net investment in leases	10,776	18,713	424
Other current assets	212,696	348,700	7,905
Total current assets	4,029,844	3,901,848	88,456
Cash restricted	1,000	1,000	23
Net investment in leases	10,842	13,025	295
Property, plant and equipment-net	1,423,246	1,609,680	36,493
Goodwill and other intangible assets	62,436	199,185	4,516
Investments in affiliated companies	233,060	275,604	6,249
Other assets	191,343	95,863	2,173
Total assets	Rs. 5,951,771	Rs. 6,096,205	\$ 138,205
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Current installments of capital lease obligations	2,759	2,225	50
Trade accounts payable	440,841	296,391	6,719
Accrued liabilities	584,264	636,378	14,428
Deferred revenue	444,333	391,037	8,865
Due to employees	1,300	—	—
Advances from customers	112,512	62,566	1,418
Other current liabilities	74,174	110,928	2,515
Total current liabilities	1,660,183	1,499,525	33,995
Capital lease obligations, excluding current installments	2,546	3,035	69
Other liabilities	234,533	104,692	2,373
Total liabilities	1,897,262	1,607,252	36,437
Minority interest	—	147,130	3,336
Stockholders' equity			
Common stock, Rs 10 par value; 50,000,000 equity shares authorized (as of March 31, 2006 : 50,000,000) ; Issued and outstanding: 42,781,922 shares as of December 31,2006 and 42,389,514 shares as of March 31, 2006	423,895	427,819	9,699
Additional paid-in capital	16,238,413	16,307,348	369,697
Deferred compensation — employee stock offer plan	(41,925)	—	—
Accumulated deficit	(12,565,874)	(12,393,344)	(280,964)
Total stockholders' equity	4,054,509	4,341,823	98,432
Total liabilities and stockholders' equity	Rs. 5,951,771	Rs. 6,096,205	\$ 138,205

See accompanying notes to unaudited condensed consolidated financial statements