

Part I. Financial Information
Item 1. Financial Statements

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

	As at March 31,		As at December	
	2007		2007	
	Rs.	Rs.	Convenience translation into US\$ (Note 2) \$	
ASSETS				
Current assets:				
Cash and cash equivalents	Rs. 2,131,824	Rs. 1,262,396	\$ 32,032	
Restricted cash	938,333	629,100	15,963	
Investment in short-term mutual funds	-	24,147	613	
Accounts receivable	1,188,406	1,987,214	50,424	
Due from employees	7,726	6,107	155	
Inventories	28,686	35,018	889	
Prepaid expenses	118,207	128,255	3,254	
Net investment in leases	16,560	6,869	174	
Other current assets	289,673	282,730	7,174	
Total current assets	4,719,415	4,361,836	110,678	
Restricted cash	1,000	1,000	25	
Deferred income taxes	66,104	13,380	340	
Net investment in leases	12,032	6,937	176	
Property, plant and equipment-net	1,644,564	1,950,580	49,495	
Goodwill and other intangible assets	192,390	182,548	4,632	
Investments in affiliated companies	302,956	450,007	11,419	
Other assets	224,491	385,385	9,779	
Total assets	Rs. 7,162,952	Rs. 7,351,673	\$ 186,544	
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Borrowings from banks	800,000	237,704	6,032	
Current instalments of capital lease obligations	2,476	2,823	72	
Trade accounts payable	316,935	912,349	23,150	
Accrued liabilities	737,284	793,434	20,133	
Deferred revenue	450,030	508,389	12,900	
Advances from customers	89,908	110,540	2,805	
Other current liabilities	89,855	106,667	2,707	
Total current liabilities	2,486,488	2,671,906	67,799	
Capital lease obligations, excluding current instalments	3,671	3,268	83	
Other liabilities	121,938	141,913	3,601	
Total liabilities	2,612,097	2,817,087	71,483	
Minority interest	169,765	189,775	4,815	
Stockholders' equity				
Common stock, Rs 10 par value; 50,000,000 equity shares authorized (as of March 31, 2007 : 50,000,000) ; Issued and outstanding: 42,820,082 shares as of December 31,2007 and 42,800,265 shares as of March 31, 2007	428,003	428,201	10,865	
Additional paid-in capital	16,325,960	16,370,042	415,378	
Accumulated deficit	(12,378,114)	(12,462,961)	(316,239)	
Accumulated other comprehensive income	5,241	9,529	242	
Total stockholders' equity	4,381,090	4,344,811	110,246	
Total liabilities and stockholders' equity	Rs. 7,162,952	Rs. 7,351,673	\$ 186,544	