

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

	As at March 31,	As at March 31,	
	2006	2007	2007 Convenience translation into US\$ Unaudited (Note 2)
	Rs.	Rs.	\$
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	Rs. 2,822,501	Rs. 3,070,157	\$ 71,233
Accounts receivable	838,433	1,188,406	27,573
Due from employees	23,818	7,726	179
Inventories	30,462	28,686	666
Prepaid expenses	91,158	118,207	2,743
Net investment in leases	10,776	16,560	384
Other current assets	165,767	289,673	6,721
<b>Total current assets</b>	<b>3,982,915</b>	<b>4,719,415</b>	<b>109,499</b>
Cash restricted	1,000	1,000	23
Deferred income taxes	-	66,104	1,534
Net investment in leases	10,842	12,032	279
Property, plant and equipment-net	1,423,246	1,644,564	38,157
Goodwill and other intangible assets	62,436	192,390	4,464
Investments in affiliated companies	233,060	302,956	7,029
Other assets	238,272	224,491	5,209
<b>Total assets</b>	<b>Rs. 5,951,771</b>	<b>Rs. 7,162,952</b>	<b>\$ 166,194</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Borrowings from banks	-	800,000	18,561
Current installments of capital lease obligations	2,759	2,476	57
Trade accounts payable	440,841	316,935	7,353
Accrued liabilities	556,972	737,284	17,107
Deferred revenue	444,333	450,030	10,443

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(in thousands, except share data and as otherwise stated)

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	Rs.	2007 Rs.	2007 Convenience translation into US\$ Unaudited (Note 2) \$
Due to employees	1,300	-	-
Advances from customers	112,512	89,908	2,086
Other current liabilities	74,174	89,855	2,085
<b>Total current liabilities</b>	<b>1,632,891</b>	<b>2,486,488</b>	<b>57,692</b>
Capital lease obligations, excluding current installments	2,546	3,671	85
Other liabilities	261,825	121,938	2,829
<b>Total liabilities</b>	<b>1,897,262</b>	<b>2,612,097</b>	<b>60,606</b>
<b>Minority interest</b>	-	169,765	3,939
<b>Stockholders' equity</b>			
Common stock, Rs 10 par value; 50,000,000 equity shares authorized (as of March 31, 2006 : 50,000,000) ; Issued and outstanding: 42,800,265 shares as of March 31,2007 and 42,389,514 shares as of March 31, 2006	423,895	428,003	9,930
Additional paid-in capital	16,238,413	16,325,960	378,793
Deferred compensation - employee stock option plan	(41,925)	-	-
Accumulated deficit	(12,565,874)	(12,378,114)	(287,195)
Accumulated other comprehensive income	-	5,241	121
<b>Total stockholders' equity</b>	<b>4,054,509</b>	<b>4,381,090</b>	<b>101,649</b>
<b>Total liabilities and stockholders' equity</b>	<b>Rs. 5,951,771</b>	<b>Rs. 7,162,952</b>	<b>\$ 166,194</b>

See accompanying notes to consolidated financial statements